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The Nation's Business

Ontario Bill Would Put End to Personal Liberty

A Racketeer as Publisher

Newsprint Comes Into Its Own

Montreal Taxes Bound to Hit City Heavy Trade Blow

Roebuck Seeks End to Freedom

BEFORE the Ontario Legislature as this is written is one of the most revolutionary pieces of legislation ever to be introduced into any British law-making body. It was brought in last week, within a few days of the projected close of the session, and, in fact was smuggled in through the back door, apparently so that it would pass through the house with little comment.

Called "An Act to Amend the Securities Act (1930)" the bill has little to do with security sales. Rather it provides for setting up a system of official prying and inquisition into the private lives of citizens.

For such powers there is no precedent. True there have been Royal Commissions and parliamentary enquiries that have had wide powers to probe into private and business affairs. But in each case these commissions and committees have been appointed for very specific purposes, after a pretence at least of establishing a prima facie case of anti-public policy on the part of some person or group. Never before has a Canadian government been given the power that this act gives, nominally to the Securities Commissioner of Ontario, but actually to the Cabinet.

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LET it be repeated that the bill has nothing directly to do with the sale of securities nor has it been demanded by Ontario's Securities Commissioner, who already has all the power he needs to protect investors and the public from security exploitation. It is not within the realm of probability that the present Security Commissioner, John M. Godfrey, K.C., even asked for it.

It is not a security measure at all. It has been introduced as such simply as a blind, to fool the public and prevent criticism, and for some purpose the nature of which has been concealed.

What the bill provides for, as one lawyer carefully and accurately phrases it, is

"an unlimited inquisition into the affairs of any person or corporation whatever, with relation to any matter whatever, occurring or to occur at any time whatever in the past or in the future."

That summary of the bill does not to the extent of one iota exaggerate the powers that the bill gives to the Government.

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THE Securities Act, which it is presumed to amend, deals with fraud in the sale of securities and gives the commissioner under the act all requisite powers to investigate any phase of any security fraud or suspected fraud, to put a stop to frauds or take legal action to punish them.

As a securities commissioner, that is all the power he needs.

The new amendment is of a different order. It broadens the power of the commissioner to investigate any person or corporation whatsoever; whether they have anything to do with the sale of securities or not; to investigate them in connection with any matter of any kind to see if anything improper or unfair has ever been done or is ever likely to be done.

No security transaction need be involved. There need be no prima facie case of wrong doing or of offense against any statute. The commissioner can examine into any transaction, whether it be something as simple as the sale of a box of matches or the weekly allowance given by a man to his wife or the growing of potatoes on a vacant lot or anything else. There are no limitations of any kind.

The powers are as broad as the province itself; the destruction of private rights is complete.

When the commissioner—or someone he may designate to investigate—completes his report, it may be published in whole or in part and no action for libel or slander can hold against him or anything he says.

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CANADIAN law protects even the hardened criminal against the third degree. The police and the courts can go so far and no farther. No man, even if he has done wrong, can be forced to give evidence against himself. No man can be pilloried nor the details of his private life exposed without due process of law under the protection of the courts.

The new Ontario bill throws all such protective measures into the discard.

What is the purpose of such legislation; is it to give to party politicians the power to investigate, to probe and to dig into the private lives of their political opponents until they unearth something to declaim? Is it to give them a club to hold over those who might oppose the Government? Of is it simply an attempt to mock the spirit of liberty

(Continued on page 2, col. 3)

Abitibi Plans Favor Bonds; Delay Likely

Working Capital Needed to Terminate Receivership

STATUS IMPROVING

Renewed hope of early termination of receivership of Abitibi Power & Paper Co. has been aroused by introduction of a bill in the Ontario Legislature to validate rearrangement of power and timber limit agreements with the Ontario Government.

As to actual reorganization, there have been negotiations between interested parties, but plans remain tentative. Formation of a definite plan may take considerable time because of the diversity of interests involved.

As reported two months ago by The Financial Post, the power and timber limit arrangements are an essential preliminary to reorganization.

Need Working Capital

Equally important, the company requires additional working capital, perhaps $7 millions, to finance its business and on account of depreciation and obsolescence of plant. On this point alone, the question must be settled as to whether it is advisable to raise money by prior lien to the present bonds, or whether it can be done economically by other means. Another major problem, likely to cause delay, is arrangement of terms satisfactory to the various groups of creditors and shareholders.

In some respects the situation is similar to that of Price Bros & Co. which required months for final settlement. Well-informed persons suggest that further delay may be beneficial to the interests of Abitibi shareholders because of the improving situation in the newsprint paper industry.

The view of bondholder representatives is that their holdings should be settled at 100 cents on the dollar, plus full interest which will amount to 27½% next June 1, which is the fifth anniversary of default. This figure excludes interest on the arrears of interest, which amounts to about 3% additional.

Shareholder Viewpoint

Shareholder groups appear to be inclined to accept the idea of full payment for bondholders but undoubtedly will want to arrange capitalization of the interest arrears in some form. Preferred shareholders will seek some arrangement to give them their full investment of $100 a share, plus accrued dividends.

Holders of the $1 million of non-callable 7% preferred, which will be in arrears 40¼% by the end of June, are regarded as in a favored position. The $34.9 millions of 6% preferred will be in arrears 36% at the end of June.

There are 1,088,117 common shares outstanding. An important point of issue may arise between common and preferred shareholders as to division of new equity securities. One report which seems to arise from the point of view of shareholders is that the company may be able to get through its difficulties without reorganization at all. But holders of senior shares suggest that there should be a writing down of the capitalization and that this might turn out unhappily for the common stock.

Prices and Face Values

Without regard for arrears of interest and preferred dividends, market valuation of Abitibi securities, including common stock, is now about $76 millions. Face value of senior securities with accruals of arrears is as follows:

Abitibi Senior Securities
($ Millions)

Issue:	Face Am't. $	*Accruals $	Totals $
5% bonds ...	48.3	13.3	61.6
7% pref.	1.0	.4	1.4
6% pref.	34.9	12.5	47.4
Totals	84.2	26.2	110.4

*To June, 1937.

It will be noted that these face values, with arrears, exceed the market value of $76 millions for all the securities including the common. This seems to indicate there is no equity for the common.

As yet the company has been unable to earn full bond interest, even before depreciation, but the forthcoming report of the receiver for 1936 will make better reading. The company is in the favorable situation of being able to handle increased business, whereas other firms are booked to capacity. Costs may rise to offset part of the announced increase of $7.50 a ton in the newsprint price for 1938. It is believed, however, that a price of $50 a ton would allow coverage at least of bond interest and might therefore warrant lifting of receivership.

GOOD WHILE IT LASTED

Above is a reproduction of the top half of the front cover of one of the seven weekly issues of The Financial Observer, distinctive new journal of comment and survey in the politico-economic field, which precipitately suspended publication in New York last week when its financial backer was revealed to be Herbert J. N. Neville, internationally notorious swindler.

Notorious Swindler Climaxes His Career As Magazine Backer

Ambitious Scheme of Canadian Ponzi Collapses in U. S.

REVEALS IDENTITY

For the past 15 years, Herbert John Nelles Neville has suavely perpetrated promotion swindles running into hundreds of thousands of dollars on well-to-do women, college professors and other investors in cities of Canada, England and the United States. Last week, police of New York and Boston caught up with him as the most ambitious and loftily conceived scheme of his career came crashing about his ears.

Herbert J. N. Neville

Collapse of the notorious Canadian's latest bubble carried with it to early disaster what was regarded in some quarters as a distinctive addition to the journalism of finance, industry and business—The Financial Observer of New York. Commencing publication less than two months ago, the weekly made an immediate impression with its air of conservative authority. It captured widespread attention among students of politico-economic affairs by a combination of dignity and exhaustiveness with freshness in its surveys of world developments in its particular field.

By its appearance, its content, its thoughtful and informative policy, the Observer commanded respect as a definitely high class publication. Many prominent men, including J. P. Morgan, bought subscriptions at $10 a year. Its editors, staff and contributors were recruited from among journalists of recognized standing, and included two members of the Columbia University faculty

Amazed and incredulous were journalists, not to mention 10,000 readers, when they discovered that the sponsor and chief financial backer of the enterprise was a man who was credited with periodic frauds and grand larceny since 1922, had served seven years in an American penitentiary (Joliet), and was sought by police of Boston, Toronto, and London, England

As far as can be determined, the Observer was a legitimate and creditable undertaking. But it was promoted, organized and financed during its meteoric career by funds of thousands of investors in a Ponzi-esque "investment syndicate" in Boston.

Bid For Good Name?

Neville himself told police that he launched the Observer, the offices of which occupied seven floors of a building in the financial district of New York, in a bid for a sound reputation and the haven of a respectable source of income. Investigators suspect, however, that the scheme was a daring attempt to create an unquestioned "front" of conservative oracularity for his manipulations with other people's money; or that he planned to pyramid his investment in the Observer into a bigger coup through sale of the publication.

Ironically enough, it was the basically proper publishing enterprise and not his Boston operations which led primarily to his present entanglement with the authorities. Two weeks ago, Neville's funds ran out or he got tired of losing money on the magazine at the reported rate of $5,000 a week. At any rate, cheques issued to pay for contributions were returned marked n. s. f.

After several days of confusion and uncertainty, Neville appeared in the Observer offices, confessed who he was and how he had financed the publication. As vice-president of the publishing concern and head of the Boston enterprise, he had gone under the name of John Bruce Heath. Investigation, started when New York State authorities got wind of the collapse of the journal, brought New York and Boston police down on the swindler.

He was arrested for Boston police, already hot on his trail, and taken back to Boston later to face fraud and theft charges.

The investment set-up established in Boston by Neville-Heath was called Bainton Associates, using the name of a socially prominent Boston

(Continued on page 2, col. 5)

Aluminium, Ltd. Sells New Issue

From Our Own Correspondent

MONTREAL.—Aluminium, Ltd., has sold 50,000 common shares of no par value. No official information is available as to the purchasers or the price paid, but it is understood that a New York group bought the stock. During the week of the sale, the common was selling in New York at around 117. Proceeds from sale of the stock will be used to finance in part redemption of the outstanding preferred stock.

Chiboug. Gets Better Values

Smelters' Part of Report Is Generally Non-committal

Sharply divergent is the tenor of the two reports contained in the annual report of Consolidated Chibougamau Goldfields, dealing with the Cedar Bay operations.

In a report covering development to the end of the year, Consolidated Mining & Smelting Co., who are developing the property, are noticeably non-committal. In a report covering drilling since the first of the year, A. H. McKay, president, states, "Results of diamond drilling reported since the first of the year appear to be of sufficient importance to justify a feeling of optimism regarding the future of the Cedar Bay property."

L. W. Oughtred, Smelters engineer, in making a report to directors of Consolidated Chibougamau states that to date five veins have been exposed on the 250-ft. level and one on the 500-ft. level.

"At the end of the year," states Mr. Oughtred, "drifting and cross-cutting on the 500-ft. level had been quite disappointing in that no mineralization comparable to that on the 250-ft. level had been encountered."

The veins so far exposed, according to this report are estimated to contain 55,625 tons of mineralized material which averages 0.27 oz. gold, 1.25 per cent copper, with an average width of 3 ft. Of this amount, 41,925 tons are estimated from workings on the 250-ft. level. No high-grade gold sections have been exposed. Diamond drilling southward from the east end of the 500-ft. level workings during the last months of the year has indicated another mineralized zone some 500 ft. south, of better width and probably better grade than found heretofore, and the situation has improved, the engineer reports.

Following this report of the Smelters engineer, Mr. MacKay details results of drilling at Cedar Bay since the first of the year. This detailed drilling report covers results from some 16 holes, and shows much improved values in copper and gold, and generally improved widths.

At the annual meeting in Montreal recently at which directors were re-elected, Mr. MacKay told shareholders that for the duration of the balance of his contract with Smelters, he personally would obtain and have published quarterly reports on the progress of the property.

Killam and English Group Buy Control of Price Bros.

From Our Own Correspondent

MONTREAL. — Royal Bank of Canada has sold at $41.25 a share 137,000 shares of Price Bros. & Co. common stock, part of the assets of the bankrupt Quebec Investment Co. to which the bank had advanced loans, to a syndicate said to consist of I. W. Killam, of Royal Securities Corp.; Lord Rothermere, Lovett Bros., and Kitcat and Aitken. Sale is subject to approval of the inspectors of the bankrupt company and the courts.

Change in ownership of this stock gives majority control to interests which have been closely identified with the internal reorganization of Price Bros. & Co. There will be no change in the newly elected board, contrary to some reports.

Originally the bankrupt Quebec Investment Co., the private holding company of the Price family, held over 160,000 shares of common stock in Price Bros. & Co. It is reported that from time to time part of this block was liquidated and the shares sold this week represent the balance. Proceeds of the sale will be used to liquidate bank loans.

Hon. Gordon W. Scott, formerly trustee-in-bankruptcy for the company, has been elected president. He was elected a director in place of P. P. Hutchinson, K.C.

Highlights

Profits on Bonds
Capital gains on gilt-edged bonds can be partly protected by the investor. No. 2 in series on Profit Possibilities for Investors. Page 3

Ontario Mining Production
Production of Ontario's Gold Producers for last quarter of 1936. Page 30

Public Utilities
Earnings and prospects of Canadian public service companies analyzed. Pages 18-29

New Set-up for C. N. R.
Recapitalization to reduce liabilities and centralize corporate stock control. Page 4

S. C. Rebels In Edmonton Seek Control

Alberta Legislators Blockade Aberhart Budget Passage

From Our Own Correspondent

EDMONTON.—A strong group has appeared among Social Credit members of Alberta Legislature, determined to direct Aberhart Government policies along the lines of what it considers to be real Social Credit before the budget is advanced further in the House.

First Government supporter to bolt on the budget was A. L. Blue (S. C. Ribstone). He was followed by R. E. Ansley (S. C. Leduc), former party secretary. Insurgent members indicate some 30 or 35 are prepared to stand fast until a genuine Social Credit programme is launched, even though defeat of the budget overthrows the Aberhart Government. If this occurs, the insurgents hope to form a new Government.

New Schemes Drafted

Latest "advisor" on Social Credit is Harold Crawford, a Regina insurance man, who has assisted the rebels to draft two measures.

The insurgents want the Government to drop licensing and price-fixing proposals, to concentrate on reform of credit facilities along the lines of the Douglas theory, and revise the budget to provide tax relief for the people. One of their measures it is reported, would tax outgoing payments of interest and debt charges to keep money in Alberta for capital investment.

A minor issue is Aberhart's proposed trip to the Coronation and he is expected to announce cancellation of his London visit.

Seed Grain Deadlock

An impasse has developed in the negotiations between mortgage companies and the Aberhart Government in regard to seed grain advances, due to uncertainty of the Government's intentions in respect to debt legislation. A verbal agreement exists between Ottawa and Edmonton for federal and provincial guarantees, with lending institutions advancing funds. Validating legislation covering the provincial guarantee has not made an appearance yet.

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Soaring Price Seen in Wheat As Stocks Fall

World Facing Critical Period in Next Three Months

WATCH U. S. CROP

Touching a seven year high this week wheat prices enter the limelight of world news and promise to remain there for at least the next three months. For the first time in 20 years an actual wheat shortage is a possibility.

Everything will depend on the wheat crop now growing in the southwestern United States. If that comes through in first-class shape there will be sufficient grain in sight until the main crops in the Northern Hemisphere are ready. But if the rain fails in Kansas and adjacent states, or if any other, even a moderate handicap appears, sky-rocketing prices are inevitable.

Canada Has Big Stake

Canada has a big stake in the present situation, for three major reasons:

1. The effect on present surplus of about 85 million bushels.
2. The effect on acreage of wheat seeding this spring.
3. The long-distance effect on the wheat to be marketed next fall.

This critical period in prices has been coming for a long time. It was anticipated and predicted in trade circles just as soon as the failure of the Canadian and United States spring wheat crops became certain last July. But while the grain experts realized that the bottom of the world's wheat bin would be in sight before the new crops of 1937 would be ready, they did not think that these bins might be swept clean.

Dramatic Change

The change from gluts to scarcity has come more suddenly and with more force than even the most bullish wheat observer, a few months ago, thought possible. Less than two years ago the world was supposed to be staggering under a surplus equal to 12 months normal exports. Today this same world is beginning to wonder seriously if the present small carryover, supplemented by present shipments from the Southern Hemisphere, will last

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Ford Motor Earnings Up

Reduced Production Costs Account For Better Year

Wallace R. Campbell, president of Ford Motor Co. of Canada, comments in the annual report for 1936 that "notwithstanding the reduced sales volume, the net financial result for the year was a decided improvement over the previous year, owing to substantial reduction in the cost of production."

Gross income was $37.5 millions for 1936 and sales of automotive units totalled 59,971. In 1935, gross income was $46.6 millions on sales of 79,844 units. Yet there was a net operating profit of $1,025,020 in 1936, contrasting with a loss of $403,719 on Canadian operations in 1935. Increased dividends from subsidiaries contributed largely to an increase of about $1.4 million in the net available for dividends.

Balance Sheet Changes

Mr. Campbell explains changes in balance sheet items in his statement.

Receivables, he says, decreased $808,719 owing principally to lower volume of business.

Inventories increased by $1,098,396, Mr. Campbell states, "as the result of anticipated improvement in the volume of sales in 1937."

An increase of $2,315,321 in investments in subsidiary companies is due to subscription of $1,585,076 for shares of the new company formed in New Zealand, and to addition of $730,245 to the investment in the South African company.

Comparative figures, showing earnings of $2.02 a share for 1936, appear on page 4.

Newsprint Industry Assured of Benefit From Price Increase

Boost of $7.50 a Ton Scheduled for Next Year

EFFECT IS ANALYZED

From Our Own Correspondent

MONTREAL. — International Paper Co.'s unexpected announcement that it was advising its customers of a $50 base price for newsprint for the first six months of 1938 for delivery at New York, Chicago and other Atlantic and Gulf ports, is the most important development in the newsprint paper industry for several years and gives promise of placing it on a paying basis. The current price is $42.50.

Consolidated Paper, Mersey, Donnacona, Abitibi, M. & O. and other firms are backing up the new price policy. There is every reason for believing that all the Canadian operators will maintain the $50 price for the first half of 1938.

There is still an element of doubt of the ability of the manufacturers to maintain the new price. This arises from the record of price increase negotiations in the last three years. In 1934 an attempt to raise prices was effectively shattered by St. Lawrence Paper Mills which made contracts for 1935 at the old price. In 1935 Great Northern upset the "apple cart" by announcing a price advance of only $1 a ton when the other producers were preparing to go after a larger advance. Again in 1936 the same company took the lead by advancing the price $1.50 a ton, to the current level.

Blandin Paper Co., of St. Paul, Minn., has led United States producers with announcement of a minimum price of $50 a ton for the first half of 1938.

Can Establish Price

In the last two or three years considerable progress has been made within the industry in getting rid of interlocking price contracts whereby any one mill with an annual tonnage in excess of 100,000 tons, could fix the price for the rest of the industry.

Even if Great Northern decides to sell newsprint for less than $50 a ton next year, it is estimated that only between 3% and 5% would be affected by inter-locking contracts. In other words, the current contract position is such as to enable the other manufacturers to ignore any one firm's price policy.

The $50 a ton price schedule will place the Canadian newsprint industry on an economic basis. It has been maintained for some time that the industry could not operate profitably until newsprint prices advanced to around $50 a ton, and it is understood that the Canadian manufacturers are content with the price set by International Paper.

It will be noted, however, in making the announcement of the new price policy I. P. says: "Although some foreign markets are already bidding higher the company hopes the domestic market will be stabilized at this level."

This is taken here to indicate that there will not be any runaway price policy for the second half of 1938. With $50 considered as the economic base price any further increase will be based on the rise in raw materials, labor costs and manufacturing expenses.

Great Help to Earnings

The last two price increases have been pretty well absorbed by advancing costs. The improved showing of the newsprint companies has been due primarily to increased production. The $7.50 advance for next year, however, will allow a substantial proportion to be credited to net earnings. As far as can be determined at this time, at least $5 of the $7.50 increase should show up in net profits.

Newsprint securities have advanced sharply in value on the announcement by I. P. Provided that production is maintained, the new price policy for 1938 will have

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Foreign Trade Continues Gain

Canadian foreign trade continues to show impressive gains. February figures were not only substantially higher than the first month of the year, but were very much higher than for February a year ago. Steel and iron production was also expanded.

Weekly carloadings and livestock sales were up.

For details of Canada's business situation, with complete figures, see page 7.

	Feb.	—Change— From prev. period %	From prev. year %
Monthly:			
Pig iron prod., tons	61,995	+ 6	+11
Steel ingots prod., tons	115,759	+0.4	+23
Imports	$48,680,884	+ 6	+10
Exports	$75,691,324	+ 10	+21
Bldg. permits	$ 2,120,111	+ 25	+10
Weekly:			
Car loadings, No.	47,534	+0.4	+ 4
Cattle sales, No.	14,735	+ 6	+ 3
Hog sales, No.	20,287	+ 4	+13

$65 by 1939 —Rothermere

Peer Sees Newsprint at $57 in Last Half of 1938

By LORD ROTHERMERE
By Cable to The Financial Post

LONDON.—Action of International Paper Co. in announcing that newsprint for the first six months of next year will be $50 per short ton confirms the views which I have been expressing in the columns of The Financial Post for several months.

Fifty dollars is a long way from being the eventual price that will have to be paid in the by no means distant future. Insufficient regard is paid to the fact that although newsprint possibly consumes more pulp than any other cellulose product its consumption is being rapidly overtaken by other and more rapidly growing products of cellulose for all kinds of purposes because its manipulation is so facile.

For the second six months of 1938 I anticipate a price of something like $57 a short ton which is preparatory to a price of $65 for 1939. A price of $65 is not unusual or excessive. In 1925 the price in Canada was $75 although then there was nothing like the insistent demand for pulp for other than newsprint purposes that there is today. Demand has definitely overtaken supply and if there is no major international disturbance there is nothing that can avert an acute shortage in five years time.

The newspapers with which I am associated are not vitally concerned in regard to the price of newsprint for in years past our directors have taken steps to provide them with their own paper mills in Canada and Newfoundland where they possess large timber reserves.

In the great cities of Europe and America I expect the price of newspapers to the reader will be increased by not less than 50% so as to enable the newspaper publishers to pay the vastly increased costly they will have to meet for their paper supplies. In this way newspapers will be able to escape a policy of reduction in size which otherwise would be unavoidable.

Leitch Gold Report Cheerful Document

Leitch Gold Mines now has on the property a complete electrically-driven plant capable of handling 75 to 100 tons per day and he believes the company has excellent possibilities of developing new ore in the vicinity of the diamond drilling east of No. 1 vein and on other parts of the property, says mine manager W. S. Hamilton in the first annual report of Leitch Gold Mines for the period ended Dec. 31, 1936.

PLEASED WITH NEW QUARTERS

Vice-president and president respectively of the Toronto Stock Exchange, Norman C. Urquhart (left) and H. B. Housser exchange smiles on the occasion of the banquet celebrating the opening of the new building. Additional photographs taken for The Financial Post at the banquet appear on page 14.

C. N. R. Given Air Control

Trans-Canada Air Service to be Subsidized

From Our Own Correspondent

MONTREAL. — Control of Canada's coast-to-coast air service will be vested in the Canadian National Railways, according to a statement made in the House of Commons by the Hon. C. D. Howe, Minister of Transport.

Under the proposed legislation it is intended to set up a private corporation, with stock of about $1,750,000 underwritten by the railway. This company will be given an exclusive contract to carry mails, passengers and express over specified routes, and its deficit will be paid by the Government for two years.

The cost of operation of the coast-to-coast service is estimated at about $1 million a year. From the start the mail contract, passenger and express business, it is estimated, should cover the cost of the service. After 1940 the subsidy provision expires and the mail contracts will be on the basis of cost of the service.

Authorized capital of the corporation will be $5 millions divided into shares of $100 each.

MEN'S SHOP

BURBERRYS

BURBERRYS a SPECIALTY!

Burberry topcoats require no introduction to well-dressed men . . . for their characteristic style and fine all-wool materials have long been famous!

The Men's Shop invites you to select your Burberry for Spring, from a range noteworthy for the variety of styles, materials, and sizes offered.

Burberry Topcoats — Sizes 35 to 44
$45.00 to $55.00 each

These coats may be purchased on EATON'S Budget Plan if desired.

Free Parking While Shopping.
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EATON'S-COLLEGE STREET

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Gypsum, Lime and Alabastine, Canada, Limited

Head Office: Paris, Ontario, Canada

Vancouver Calgary Winnipeg Toronto Montreal

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Hyd.-Elec. Pr. Ont.	3½-5%	1952	Apr. 1	100
Can. Cons. Rub'r	‡6%	1946	Apr. 1	110
Can. Paper, A ..	6%	1945	June 4	103½
Avon River Pr. D.	5%	1964	July 1	103
Randolph Hotel	*6½%	1947	May 1	105
McColl-Fron. A	†6%	1949	Apr. 1	104
South. Canada Power, A	5%	1955	Apr. 1	102½
Woods Mfg., A .	6%	1943	Apr. 1	102
Connors Bros. ..	6½%	1938	May 1	105
Can. Steamships	5%	1943	Aug. 15	105
Spruce Falls Pr.	5½%	Ser.	Apr. 1	101½
Mar. T. & T., A	5%	1956	July 1	104
Ames Holden Tire	7%	1943	May 1	105
Gen. Stl. Wares A	6%	1952	May 1	104
Hinde & Dauch A	5½%	1948	May 1	102½
Tor. Housing, A	•5%	1953	May 25	105

For sinking fund: *$9,000. †$117,000.
‡Private sale between Feb. 1, and Apr. 1, 1937, in Canadian funds. •$37,000.
Stock Issues:

Home Loans $1.8 Million

Loans made under the Home Improvement Plan during the second half of February totalled $131,557, according to official figures issued by Finance Minister Dunning.

We Maintain Markets in all
City of Toronto Bonds
and issues of
Toronto Harbour Commissioners

Flemming & Company
Investment Dealers
DOMINION BANK BUILDING - TORONTO - ADELAIDE 3735

IN CANADA

Throughout the length and breadth of the Dominion are to be found branches of The Royal Bank, serving the people of Canada and assisting in the development of sound business enterprise.

THE ROYAL BANK OF CANADA

OVER 700 BRANCHES IN CANADA AND 20 OTHER COUNTRIES

The Nation's Business

(Continued from page 1)

and pave the way for a dictator-controlled Communist state?

• • •

THE Canadian people ought to wake up to the fact that there are men occupying high posts of power in government in this country who are paving the way for revolution and the destruction of our democracy. No longer strides toward that objective have ever been taken than in some of the legislation sponsored by Canada's No. 1 legislative Red—the Attorney-General of Ontario. First there was his legislation barring the courts to people whose contracts with the Government of Ontario were cancelled in violation of provincial law and the Canadian constitution. Now there is this final insult to all freedom-loving people — a bill declaring that privacy and personal liberty are held by citizens only at the whim of the politicians in power at any particular moment.

Mr. Roebuck sponsors the bill but every member of the Ontario Government is a party to it. And no member of that Government has any right to claim the support of any free, enfranchised citizen if this bill passes without his resignation from office by way of protest.

• • •

Making a Racket Out of Publishing

JOHN BRUCE HEATH, publisher and financial angel of The Financial Observer of New York is in trouble with the authorities.

His exposure must have come as a shock to the subscribers to the Observer. Only seven weeks old, it was a handsomely printed publication, combining in one paper sober economic essays characteristic of the Economist of London and well-picturized industrial romances and business personality material such as was introduced to American readers by Fortune. It had a high-class editorial staff—but no advertising. The editors no doubt shared the general consternation when their publisher turned out to be the notorious Herbert John Nelles Neville, whose speculations and swindles made him notorious in Canada a few years ago.

It cost Mr. Heath (né Neville) $5,000 a week to keep his paper going. He got it by selling crooked stocks to what John M. Godfrey, K.C., Ontario Securities Commissioner, calls "mooches." What he hoped ultimately to get out of it he has not revealed. It was no tipster sheet—at least it had not developed into one up to time when Neville's sucker money ran out. But that Neville had some plan in the back of his mind cannot be questioned. His record suggests that whatever his plan was it involved some racket designed to separate the public from their money.

• • •

MANY rackets are carried on in the guise of legitimate publications. News stands in Canada are flooded with so-called mining or financial sheets that derive their incomes in curious ways. Some of them take payment for publishing "puffs" about certain people or certain securities. Others are paid for keeping news out of their columns. Some of them carry on for a while on the capital supplied by some man or institution who hopes to get his ideas over by putting up the money for a paper. Another racket is to start a paper, sell long-term subscriptions for cash, and then to cease publication when the money stops rolling in.

The most important factors in any investment are the character, integrity and ability of the directors who control the company.

The most important factors in any business publication are character, integrity and the ability of its publishers and editors.

The Financial Observer was a paper that gave promise of being a notable addition to weekly financial literature. But it was rotten at the core of its very ownership and that was enough to kill it.

• • •

Newsprint Again Comes Into Its Own

THOUSANDS of investors throughout Canada who have stuck by the newsprint industry during the troublous times of the past several years, have reason for feeling cheerful. Production has advanced to new high levels and the market value of their bonds and stocks has staged a sharp recovery. All that is needed to complete the picture is a price for newsprint which will permit a resumption of capital returns. This is now in sight. International Paper has announced an increase in the base price for the first half of 1938. Canadian manufacturers are supporting this new price policy which would place the industry on a paying basis.

Attempts may be made to break the ranks of the producers, but at this time no manufacturer can employ the excuse of inter-locking contracts to accept business at less than what is considered an economic level. A great deal of housecleaning has been going on within the industry and now it is no longer possible for any one operator to set the selling price for the whole industry. It is apparent, too, that the leaders of the industry are endeavoring to set a reasonable price for their product. This leads to the hope that for the future there will be a greater degree of financial stability than there has been in the past.

• • •

Montreal Taxes Would Hurt City

MONTREAL'S new tax proposals are not only oppressive, but, more important, reflect the growth of sectionalism in municipal affairs. Through maladministration the financial affairs of Canada's largest metropolis have developed into what can be described only as a mess.

The funded debt and the cost of municipal services are of such proportions that property holders and the citizens at large have been taxed to the limit. Yet more revenue must be secured to meet the costs created by past and present wastes. New tax proposals have been prepared for submission to the City Council, and, if approved, for sanction by the Legislative Assembly.

In their present form the proposals call for increased taxation of financial institutions which are always regarded as fair game by municipal politicians. Of more importance, however, is the broad principle in the draft bill of taxing the outsider who derives any income from within the city of Montreal. In its present form the bill not only would restrict trade with the rest of the country, but set up an invisible barrier around the city detrimental to the welfare of the municipality. The idea that the city can place a premium on the privilege of doing business in Montreal is an economic fallacy with grave danger to the future welfare of the city.

Soaring Prices Seen as World Wheat Stock to New Low Level

(Continued from page 1)

until the first United States new crop is ready next June.

Faulty Estimating

It is now generally agreed that some hitherto accepted estimates regarding wheat reserves in various countries have been rather wide of the mark. Just as these reserves were invariably underestimated in the days of Canada's big wheat carryovers, in the last two years apparently, observers have been too generous in the other direction.

In any case, such countries as Germany, Italy and France have been buying on an unbelievable and totally unexpected scale. British buyers, hoping to pick up bargains from among unordered cargoes of Argentine wheat arriving in Europe, have been disappointed again and again. Almost without exception these shipments have found ready buyers at firm prices.

Some of this European buying is believed to be on war account, but a large portion is understood to be due to an honest shortage.

European crops are understood to have turned out much more poorly than officially reported. Highly protected home markets in certain countries encouraged a good deal of bootlegging.

France, for instance, tried to maintain several different values for the same commodity. There was a high price for home-produced wheat for domestic flour purposes. There was another and much lower price at which a surplus was dumped on the British market. And there was still another price at which some of this domestic surplus was, after staining to make it unfit for human consumption, supposed to be sold for livestock feed. With similar artificial markets prevailing all over Europe it was probable that statistics returned to the Government may have been twisted.

Watching New Crops

With marketing of its crop near conclusion, the Argentine Government is hinting that some sort of a partial embargo may be necessary in order to conserve sufficient supplies for domestic consumption.

Canada at present has about 85 million bushels of 1936 crop and older in commercial storage. There may be a few million bushels more in farmers' hands but little if any beyond spring seeding requirements. To be on the safe side, at least 60 millions and perhaps more of this present supply of wheat will be needed for domestic consumption until the new crop is ready next August.

U.S. Prospects

First new wheat in any quantity this year will come in June from the southwestern United States. There a record acreage has been sown, sufficient, under favorable conditions, to supply a full year's domestic requirements and leave 200 to 300 million bushels over for export. This would be in addition to a spring wheat crop which could add 250 millions more.

Already, however, dust storms in Kansas and adjacent states indicate that the soil is dry. Without generous rains before the middle of April, it is almost certain that a large portion of the United States winter wheat crop will be injured. Most observers agree that a moderately good crop is the best that can be expected.

And Canadian

This would leave most of the world export market for the balance of 1937 to Canada and possibly the northern states. This area, almost entirely devoted to spring wheat is yet to be sown. Acreage will be influenced to a certain extent by the prices that prevail in the next few weeks. If the market remains as firm as is promised, then efforts will be made to sow every possible acre. But, in any case, no record planting is believed possible because dust storms and drought of the last three or four years have done damage that cannot be repaired immediately.

Meanwhile, the world and Canada is watching the new crop in the southwestern states. On its total size will depend what the world will pay for that crop soon to be sown on our own prairies.

Income Tax Problems

I transferred to my wife 50 shares of a dividend paying stock valued at about $10 a share. The dividend is $1 a share or $50 annually. Must I pay a gift tax after reporting this amount, or does my wife pay a gift tax? How will we show the dividends received? I paid for the shares which are registered in my wife's name.

The Income Tax Department does not recognize gifts made by a man to his wife or by a wife to her husband, and so far as a man's gift to his wife is concerned in circumstances such as these, the view of the department is that no transfer of the shares has taken place.

The dividends from stock given to the wife would be reported as part of the husband's income and could be taxed as part of his income but no gift would need to be reported under the circumstances and there would, of course, be no gift tax to pay by either husband or wife.

The section of the act dealing with transfers of property, securities or other assets between husband and wife, affects transfers since Aug. 1, 1917, and for tax purposes the gifts are considered as nonexistent.

Notorious Swindler Is Magazine Backer

(Continued from page 1)

educationist, Cecilia Maude Bainton—one of the many women Neville has duped in the course of his career. The basis of the scheme, investigators found, was a guarantee to investors of profits of 25% a month. Emulating the famous Charles Ponzi, he actually paid such interest to some investors out of capital collected from them and other "suckers," though most of the funds (at least $100,000) were sunk in the Observer.

He next came to public notice in 1925, when his operations as a "bucket shop" broker and "investment counsel" in Toronto were climaxed by bankruptcy in December of that year. Early in 1926, criminal charges were filed against him in Toronto and Edmonton, but prosecution was repeatedly postponed upon his insistence that he could make restitution if allowed to remain at liberty. He was thus enabled to continue his amazing course of parting well-to-do persons from large sums, for he accumulated and paid out between $30,000 and $40,000 to buy up the claims of creditors who had filed charges against him.

Buys Country Estate

In June, 1926, a charge of grand larceny of $18,000 was filed against him by Gertrude Lawrence, presumably the famous stage star, but the warrant was not executed until years later. He apparently spent the spring and summer of 1926 in inducing other women to entrust large sums to him, one in Toronto turning over $60,000. In Sept., 1926, he was still an undischarged bankrupt, but was able to produce $16,000 as down payment on the purchase price of $40,000 for a large estate at Bobcaygeon, Ont., and acquired a motorboat from Sir Joseph Flavelle.

Later in the year he departed for England with what purported to be a power of attorney from a Toronto brokerage firm and utilized this to gain entree to circles in which titled and wealthy people moved.

Professors Victimized

From here on his swindles took on wide ramifications. He is estimated to have duped University of Toronto professors (to whom he was known as Lord Neville) out of sums totalling $100,000. He tricked trusting investors in New York, Chicago and Detroit, his loot in Detroit being estimated at anywhere from $150,000 to $1.5 million. In Sept., 1927, the authorities at last grew impatient, and his sumptuous estate at Bobcaygeon and a fine home in Toronto were auctioned off to satisfy his creditors. At the time, he was reported to be "visiting in Mexico."

He did not remain at liberty long. In Feb., 1928, he was arrested in San Francisco, Calif., on warrants sworn out in Chicago, with the result that he went to prison in Illinois for seven years. He was promptly deported on his release early in 1935, but on setting foot in Windsor was arrested and brought to Toronto to face charges laid by a university professor and others, dating back to 1926 and 1927.

The Crown Attorney and magistrate took a lenient view, however, and he was released on probation. Soon afterward, he was re-arrested on the warrant sworn out by Miss Lawrence in New York in 1926, but the charge was not pressed and he was again released. About this time he changed his name by court order to John Hurd, and for a time made a living selling women's stockings from door to door. He won the confidence of the daughter of an insurance man, and with her aid promoted a chain of women's wear stores under the name of "D'Arnac et Cie" in the spring of 1935.

Women in Toronto, Timmins, Kirkland Lake, Barrie and elsewhere were induced to put up capital totalling $20,000. Some of the stores were actually started, but by October the chain was in bankruptcy, and "Hurd" had disappeared with loot estimated at $40,000.

Newsprint Industry Assured of Benefit From Price Increase

(Continued from page 1)

the following approximate effect on the principal operators:

International Paper

In announcing its plan of reorganization International Paper and Power estimated that revenue for 1937 would total around $9 millions, as compared with $4.8 millions last year. On the basis of this company's current production the new price would mean an increase of about $1 a share on the common stock to be issued under the new plan.

Consolidated and Abitibi

Consolidated Paper is operating all its machines with the exception of those in the Cap de Madeleine mill. By 1938 this company should be turning out about 450,000 tons annually. Allowing for the reduction in overhead expenses, etc., the new price should add about $3 millions or better to annual earnings. While the recent agreement with the bondholders prevents payment of any dividends on the common stock in the next three years, the anticipated improvement in earnings over the next two years should enable the company to liquidate its indebtedness to the banks, which at the end of last year amounted to $11 millions.

The effect of the new price on earnings of Abitibi is difficult to determine as that company is still in the hands of a receiver. Operating costs under receivership are usually high, so that true earning power of the company is not altogether clear. However, it is certain that the $50 price means better terms for all security holders. Bondholders are likely to demand everything that is coming to them in the way of back interest. Preferred shareholders will expect to receive greater consideration, while the common shareholders, whose outlook a couple of years ago was not very encouraging, may now get a share of the equity.

In connection with Consolidated Paper and Abitibi it is important to realize that they are the only two major companies not operating at capacity. With the demand for newsprint increasing these companies are in a highly favorable position as between them they have 50% of all the idle capacity in the world. The other companies do not stand to gain much by an increase in consumption, but Consolidated and Abitibi benefit two ways—larger sales and higher price.

Price Stock Benefits

Price Bros. has straightened out its financial affairs. Its earning power has been considerably augmented by the strengthening of the South American market, where it sells a fair proportion of its output. Its sales in the United States have increased and on the basis of $50 a ton it is estimated that the company can show earnings of better than $3 a share on the new common stock.

St. Lawrence Group

St. Lawrence Paper Mills has got its production up to capacity and the advance of $7.50 a ton for next year will add at least $1 million to net earning power. This would mean that the preferred dividend would be covered comfortably, with a good margin left over for the common stock practically all of which is held by St. Lawrence Corp.

Brompton

Brompton will benefit in a very material way by the higher price. Interest in this company lies in St. Lawrence Corp. A which was exchanged for the old Brompton common share for share. Last year the company earned 39 cents a share, as against a deficit of 30 cents a share in the previous year. Given another $7.50 a ton for newsprint, Brompton should be able to report very satisfactory earnings.

Lake St. John

Lake St. John Power and Paper produced 123,812 tons last year, earned $1.68 a share on its preferred and had a deficit of $1.20 a share on the common. Very little increase in sales can be expected, but on the new price basis, the company should have no difficulty in covering the preferred dividend.

The improvement in the earning power of St. Lawrence Paper Mills, Brompton and Lake St. John Power and Paper enhances considerably the outlook for St. Lawrence Corp. Its interest in these three properties lies in the junior securities. It has not received any revenue from its investments for several years, but, based on the present outlook, there should be a change after 1938.

Will Help Donnacona

Donnacona Paper's present plant has been booked to capacity for the next two years or more. Moreover the company is planning on certain mill changes which will increase production of newsprint by several thousand tons annually. On the basis that the 1938 price will mean a net increase of $5 a ton in revenue the company should earn between $400,000 and $500,000 extra.

Great Lakes

Great Lakes Paper Co. has capacity of slightly over 100,000 tons annually operating on the most economic basis. Since the company has just recently come out of receivership, earnings have not been made clear. However, at $42.50 a ton, it is understood the company can earn bond interest and depreciation. Hence the rise of $7.50 would be applicable largely as earnings on the 100,000 class A preferred, 100,000 class B preferred and 100,000 common shares. This would indicate comfortable coverage for preferred dividends on both A and B and then combined participating earnings on all three classes of stock.

Bathurst

Bathurst Power and Paper also should benefit from the advancing price. The company is preparing its newsprint machine to go into production next month. Provided that all the newsprint is sold, the company will receive a gross increase in revenue of about $150,000 annually.

Millions to Industry

Taking the industry as a whole, Canada exported 2,422,000 tons of newsprint paper into the United States last year. Current figures are running higher and it is quite possible that shipments will reach 2.5 million tons in 1938. In that case the advance of $7.50 a ton would mean an increase of nearly $19 millions in gross revenue.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Provincial—							
Hydro-El. Pwr. Comm., Ont. ..	Mar. 17 ..	Bank of Montreal and Syndicate	2½%	1942	$11,000,000	*98.48	2.75%
			3½%	1947	$8,000,000	*98.00	3.75%
Municipal—							
Halifax, N.S.	Mar. 16 ..	Dominion Securities	3%	5-yr.	$24,700	99.38	3.21%
			3½%	10-yr.	$7,539	97.48	3.93%
Hull, Que.	Mar. 15 ..	Hanson Bros.	4%	1937-56	$181,500	96.87	4.86%
School Board, Moncton, N.B. ..	Mar. 17 ..	Irving, Brennan & Co.	3½%	20-yr.	$37,000	93.06	4.01%

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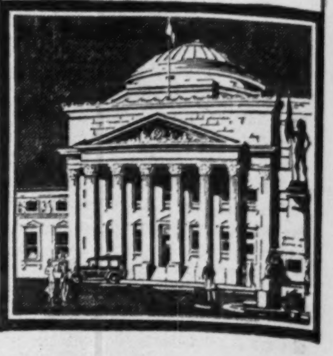
Established 1817



NEW SPRING SUITINGS and TOPCOATS
for Men who Seek Distinction

An unusually fine assortment of original weaves, inspiring and refreshing as spring, tailored with inimitable character and refinement. Further evidence of LEVY BROS. leadership in the creation of fine clothes. Here you will find your needs completely fulfilled and the matter of selection a pleasurable occasion.

Levy Bros.

69 West King St., Toronto

CITY OF HULL
4% Serial Bonds
Dated Nov. 1, 1936
Maturing Nov. 1, 1937, to Nov. 1, 1956

These bonds are a direct obligation of the City of Hull and have been approved by the Quebec Municipal Commission.

Maturities 1937 to 1952 inclusive have been sold.

PRICES
Maturities 1953 to 1956 inclusive: 98 and accrued interest

We offer these bonds subject to prior disposal, if, as and when issued and received by us, and subject to approval of counsel.

HANSON BROS. INCORPORATED
Established 1883
255 St. James Street
MONTREAL
HArbour 9281
TORONTO OTTAWA

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DESKS - CHAIRS
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Don't let obsolete equipment retard the tempo of improving business.
Standardize on efficient and reliable products.
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NEWMARKET, CANADA
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SIXTY-SECOND
ANNUAL STATEMENT
INDEPENDENT ORDER OF FORESTERS

Policy Reserves	$39,680,934.93
Additional Reserves	2,000,000.00
Surplus	1,898,421.72

ASSETS AND LIABILITIES, DECEMBER 31, 1936

ASSETS

Real Estate (Appraised Value)	$ 6,505,426.61	
Loans on Mortgages (Real Estate)	5,278,414.35	
Loans secured on Collateral	288,394.34	
Bonds (at Market Value)	25,060,256.77	
Stocks (at Market Value)	663,996.00	
Accrued Interest, etc.	487,425.08	
Juvenile Fund	103,216.17	
Cash in Bank	585,671.03	
		$38,972,800.35
Policy Loans		5,937,804.77
		$44,910,605.12

LIABILITIES

Claims not Completed	$120,899.17	
Death, Disability and Sickness Claims Reported in 1937	173,464.14	
Premiums paid in Advance	21,831.94	
Net Sickness Fund	-277,794.13	
		$ 593,989.38
Juvenile Reserves		32,026.00
Insurance Reserve		39,680,934.93
Special Reserve, Pension Grants, etc.		634,072.00
Interest Reserves		2,000,000.00
Juvenile Surplus		71,161.09
Surplus		1,898,421.72
		$44,910,605.12

OTHER FUNDS

Golden Jubilee Benevolent Fund	$128,998.09
Orphans Home Endowment Fund	19,611.72

INCOME

Premiums and Interest, etc.	$5,519,076.02

PAID TO MEMBERS AND THEIR BENEFICIARIES
$3,779,814.72

Death Claims	$2,484,725.53	Expectation of Life	$ 35,410.58
Old Age	782,635.38	Sickness and Funeral	74,018.83
Disability Claims	77,894.40	Surrender Values	318,430.04
Endowment Claims	5,000.00	Grants from Surplus	1,699.96

ORPHANS' HOME, SANATORIA AND GRANTS
$86,632.62

Total Payments to Members and Their Beneficiaries Since Organization
$130,637,189.87

FRANK E. HAND, Supreme Chief Ranger.
JOHN F. LANG, Supreme Secretary.
CHARLES HAMM, Supreme Treasurer.

Profit Possibilities for Investors 2.

Holders Can Partly Consolidate Profits on Higher Grade Bonds

Capital Gains Can be Used in Annuities, in Shorter Term Bonds, or in Corporation Issues

By C. W. STOLLERY

Foremost among profit problems for investors are the actual profits on gilt-edged bonds, unexpected a few years ago, which have arisen from the decline of interest rates and the accompanying rise in bond prices.

Thousands of Canadian investors hold Government bonds on which they have capital profits ranging up to 20%. Profits of 10% on the capital invested in prime Government securities are fairly common, despite the recent recession of such bonds from their record high levels of 1936.

Should the individual investor sell and take these profits?

The question cannot be answered emphatically yes or no, if only because the wisdom of the reply depends largely upon the investment policies which may be pursued after profits are accepted.

Probably the greatest danger in selling liquid high-grade bonds because of tempting profits is that the funds may be invested in other bonds of lesser security. The processes of selling the highest grade bonds because of capital profits to reinvest in other issues at lower prices, or to increase the rate of interest income, may lead the investor ultimately into dubious securities and capital losses.

The highest quality Canadian bonds are those of the Dominion Government, Dominion-guaranteed bonds mostly of the C. N. R., and issues of eastern province and select municipalities. Prices of many of these bonds are well above 100, whereas most issues were sold to investors initially at a discount.

The result of the rise of prices is that millions of dollars of these prime securities have been liquidated by individual investors. The buyers have been largely banks, insurance companies and other large investing institutions which must keep their funds in constant use even if interest yields are low.

There is good authority for believing that low interest rates on prime bonds may be maintained for some time. Cheap money is likely to continue as Government policy through monetary controls in both Great Britain and the United States. This would mean maintenance of fairly high bond prices in the two financial centres exercising the greatest influence over Canadian prices. Despite the possibility that bond prices may remain for some time on a sort of plateau, however, there seem to be few authorities who believe that there will be further substantial increases in prices.

It appears safe to say that the rise of gilt-edged bonds has carried prices at least close to the highest points likely to be reached and that over a period of prosperity there is more likelihood of gradually declining prices than of further advances. As one analyst puts it, the cyclical rise in bond prices appears to have passed its climax, although there may be no severe decline.

The fact that individual investors have not recently been buyers of high-grade Government bonds apparently reflects a feeling that profits should be taken on such securities; or at least that prices today are more attractive for selling than buying these prime bonds.

Problem of Alternatives

THE difficult problem is the selection of alternative investments to high-grade long-term bonds.

The buyer of prime bonds usually has two things in mind: a reasonable income and the greatest possible security.

The declining trend of interest rates on high-grade bonds in recent years has reduced income below what many investors think reasonable. Which is the same as saying that prices for first-grade bonds have gone above attractive buying levels. As to security, the prospect of rising costs of living has lent some doubt to the wisdom of leaving everything in even the best of bonds because there is no hope of increasing income at present from this source.

Depending upon individual circumstances, the investor is probably justified in taking profits on some gilt-edged bonds; always provided that caution is exercised in choosing alternative investments.

As a first principle, all high-grade bonds should not be liquidated. If the holding of high-grade bonds constitutes less than 25% of an investment fund the proportion may be too small rather than too large.

Secondly, one way of partly consolidating profits on longer-term Government bonds is to switch a portion into shorter-term issues. This may improve the security rather than detract from it, even though it tends to reduce income. Issues suitable for purchase as short-term investment would include bonds like C.N.R. 3's of 1944 at about 102; Dominion 2½'s of 1943 at about the same price; Nova Scotia 3's of 1945 at 98; and Ontario Hydro 3½'s of 1947 around 99.

The main fields of investment to consider as alternatives to investment in the most liquid bonds are these:

1. Annuities.
2. Corporation bonds, preferably those maturing within 10 to 15 years.
3. Bonds selling at a discount, or perhaps with conversion features or other equity interests.
4. Preferred shares, preferably with provisions giving some possibility of expansion of income.
5. Common stocks.

In this article we must confine our interests largely to fixed income investments.

The pinch that has been placed on many holders of Government bonds by declining interest rates has led to keener interest in annuities. For bondholders who are well past middle age and largely dependent upon investment income, properly planned annuities allow consolidation of some profits on high-grade bonds and gradual use of such profits as income.

Annuity plans are available in wide variety, and must be fitted individually to each investor's need. The very individuality of the annuity problem makes it necessary for the investor to consult his own advisers on the subject. One further point of general interest may be mentioned; namely that many annuities provide little or no liquidity except in the event of death and that this makes it necessary to hold some liquid investments entirely apart from annuity funds.

Corporation Bonds

THERE is, of course, a wide variety of corporation bonds from which to choose. In the best corporation bonds there is little possibility of profit. But they do allow higher income, especially if profits on other bonds are reinvested along with the original principal.

Longer term corporation bonds are subject to the usual uncertainties attendant upon lengthy investment. They may be subject to the influence of a possible declining trend in prices for higher grade government issues. But corporation bonds with coupons of 4% or 5% may not fall much below 100 even with somewhat stiffer interest rates. For those who are content to consolidate a portion of profits on high-grade bonds in corporation issues, and having regard to the fact that high coupon bonds may be subject to redemption for refinancing, suitable investments will be found in the following list:

Corporation Bonds

Issue:	%	Year	Price	Approx. Yield %
B.C. Power	4¼	'60	98½	4.4
Calgary Pwr. ...	5	'60	96½	5.3
Can. Paper	4¼	'52	98½	4.3
C. P. R.	4½	'44	103	4.0
Dom. Tar	4½	'51	100	4.5
Fam. Players	4½	'51	98	4.3
Gt. L. Paper	5	'55	97	*5.2
H. Smith	4¼	'51	102	4.0
Massey-H	5	'47	100	5.0
Rel. Grain	4½	'52	102	4.3
Simpsons	4¼	'51	97	4.4
Shawinigan	4	'61	97	4.2
Union Gas	4½	'50	99	4.6

*First coupon due Oct. 1, 1937.

Such bonds do not provide the ideal solution to the problem of using profits in the gilt-edged to the utmost. The complete answer to the problem would be to find securities that can be considered safe as to income, bearing a reasonable rate of interest, and with some prospect of increased returns under conditions of prosperity to make up for the possibility that the cost of living may rise further. It would be just so much better if such securities could be obtained with possibilities of capital profits.

Convertible bonds are the nearest answer to this conundrum. Unfortunately the choice is small, which accounts for the narrowness of this group:

Convertible Bonds

Issue:	%	Year	Price	Approx. Yield %
C. P. R.	3	'45	99	3.1
Can. Canners ...	4	'51	100	4.0
Ind. Acceptance .	4	'52	100	4.0
Walker-G. & W.	4¼	'45	107	3.5

The C.P.R. 3% issue is convertible at the holder's option, up to Apr. 1, 1944, $100 of bonds for four ordinary shares. The yield is small but is not unattractive in a bond of such short term when coupled with the conversion feature. Despite the difficulties of railways, the C.P.R. has earned interest charges throughout the depression. The conversion feature would only be of value if C. P. R. shares rise to $25 or if dividends of more than 75 cents a share are paid. Such developments do not seem probable at present, but there are seven years in which there are possibilities of profit to the bondholder on this account.

Canadian Canners 4% bonds are convertible at the holder's option, $100 of bonds for five common shares up to 1943, and into four shares from 1943 to maturity. The conversion feature is of no immediate value. In the past, however, the common has sold above $20 a share, so there is a possibility of capital profit on the bonds. The company's earnings record shows fixed charges covered in all years but one in the depression. The tendency for the company to be generous with dividends on junior shares in the past is not necessarily a point of strength for the security of bondholders, but if continued in good times it might make the conversion feature of value through the common shares.

Industrial Acceptance Corp. 4% notes are convertible into Class A shares, $100 of bonds for two shares. Since there is a prospect of dividends of $2 annually on the shares, this conversion feature may become valuable. The 4% notes are a young issue, but the company's earnings record has been satisfactory throughout the depression.

The Walker-G. & W. 4¼% debentures are convertible into common stock at $45 per share. Unfortunately, the conversion price for the common rises to $55 a share with reduction of the debenture issue. This is an unusual sort of conversion feature and means that the debenture holder may have to be nimble to take advantage of his privilege. The debentures are callable at 104. Hence redemption of a substantial block of bonds might make it necessary to convert into shares to avoid a loss from redemption.

In addition to these convertible bonds, the C.P.R. has outstanding convertible 3½% and 4% bonds which sell slightly above 100. They offer somewhat higher mathematical yields than the 3% issue, and have similar attractions for investors who write off a portion of the premium paid from the interest income.

This is the second in a series of articles on profit possibilities for investors. The first article appeared in The Financial Post for March 20, and the third, discussing the elasticities in some lower grade bonds, will appear next week.

OPEN NEW FIELD

J. R. Ryan, who has been appointed manager of the new Montreal office of R. C. Gamble & Co., members of the Montreal Curb Market, Toronto Stock Exchange, etc.

See Shake-up For Brandram

Old Board Withdraws from Picture—Norman Holland Stays On

From Our Own Correspondent

MONTREAL.—Shake-up in the board of directors of Brandram-Henderson Ltd., with Norman Holland, managing director, assuming control, is indicated by the remarks of President Peter B. Jack, in his annual report to the shareholders.

With the exception of Norman Holland, all members of the board have indicated their intention of retiring.

This was to be expected in view of the disagreement between Norman Holland and the president over the proposed sale of the property last year. At the time Peter Jack announced that negotiations were going on involving sale of the property at a price which would not pay off the bondholders' claims in full. This move was opposed by Mr. Holland, who made an offer to the bondholders and stockholders for a proportion of their stock holdings. No particulars have been made public as to the percentage of the stock purchased, but it is understood that he has secured a large block.

Bondholders Approve Sale of Milton Brick

Bondholders of Milton Brick Co. have accepted the offer of Firth Brick & Tile Co. to take over its assets and liabilities at a meeting held March 19, 1937. The offer was received following efforts of the National Trust Co., trustee, to find a purchaser for the property.

Under the terms of the plan, holders of 6½% first mortgage bonds of Milton Brick Co. will receive 40 shares of no par value common stock in the new company for each $100 principal amount of bonds held. Total capitalization of Firth Brick & Tile Co. is 300,000 shares and the present outstanding stock is 105,920 shares. The distribution to Milton Brick bondholders will require 104,080 shares, leaving 90,000 shares in the company's treasury.

C. P. R. to Spend $27.3 Millions

From Our Own Correspondent

MONTREAL.—Canadian Pacific Railway plans to spend $27.3 millions on capital account during the current year. This compares with less than $8.6 millions in 1935. Particulars of the principal items proposed for the current programme are:

Permanent structures ......$	285,466
Stations and other buildings	356,165
Roadway betterments	1,927,707
Heavier rails	522,113
Rock ballasting	482,344
Shop machinery	256,685
Automatic signals	64,411
Terminal and side tracks ..	47,186
New rolling stock	20,723,422
Rolling stock	1,636,231
Hotels	42,041
Communication facilities ...	876,863

C.G.E. Issues More Preferred

5% Stock Represents Investments By Employees Under Savings Plan

Issue of an additional 3,500 shares of special employees' 5% preferred stock in 1936 increased to 29,500 shares the outstanding preferred issue of Canadian General Electric Co. The holdings of employees at Dec. 31 1936, totalled 27,121 shares.

The par value of the preferred outstanding at the end of the year was $1,475,000, an increase of $175,000 in the year.

The company states that an extra payment equal to 2% of the par value of shares ($50) held under the plan is being made to employees for the year 1936. Employees will be given an opportunity to subscribe for additional stock on April 1, 1937.

Robert Simpson Co. Calls Bonds For Sinking Fund

Robert Simpson Co. has called for redemption on July 1, 1937, at 105 and accrued interest $13,500 (approximately $66,000) of its 5% first mortgage bonds due July 1, 1952. These bonds have been drawn by lot for sinking fund and are part of the $1,235,945 which was outstanding at Jan 6, 1937.

Payment will be made at the office of the Midland Bank Ltd., London, Eng., or the Trusts and Guarantee Co., Toronto.

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Investment Trends

Fall in Stock Prices Viewed as Temporary

Signals Do Not Yet Indicate Important Interruption in Uptrend of Stocks, Although a Substantial Recession is Due This Year

Despite the recession of stock prices recently, analytical market commentators still incline to the view that the intermediate or month to month trend of prices is upward. That is, the setback is regarded as temporary. They continue to point out that each downward move may signal a reversal of the month to month trend, but that indications so far have pointed to resumption of the rise.

Even in a long-term uptrend, important interruptions occur, and one such period of reversal is expected this year. But it may not yet be under way.

The flow of European funds into American securities has been continuing and remains a cause for calculation in Washington as to methods of taxing investments by outsiders. The idea is that if excessively large foreign investments are built up in the United States they may contribute to a collapse of securities markets sometime in the future. Canadian investors may receive special consideration, probably continuation of the reciprocal 5% tax on incomes.

Business conditions continue better than last year, notwithstanding labor troubles in the United States. Rising costs of materials and labor are regarded as the chief possible source of interruption of the economic recovery.

Prices Fall

UNDER the Dow theory of forecasting stock market trends, there was indication of higher prices in the advance of railway shares earlier this month. A subsequent decline was expected but it has been more marked than is considered usual.

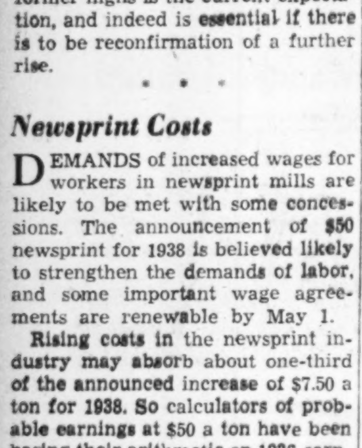
An advance of prices toward their former highs is the current expectation, and indeed is essential if there is to be reconfirmation of a further rise.

* * *

Newsprint Costs

DEMANDS of increased wages for workers in newsprint mills are likely to be met with some concessions. The announcement of $50 newsprint for 1938 is believed likely to strengthen the demands of labor, and some important wage agreements are renewable by May 1.

Rising costs in the newsprint industry may absorb about one-third of the announced increase of $7.50 a ton for 1938. So calculators of probable earnings at $50 a ton have been basing their arithmetic on 1936 earnings and adding earnings of $5 per ton of production.



Investment Notes

C. P. R.—Pointing out that a moderate increased percentage in net earnings will reflect in a multiplied way on the common shares, Avern Pardoe & Co., Toronto, suggests purchase of the shares should be made at "present low levels."

* * *

Eastern Steel Products—A further increase in sales volume in 1937 is expected, providing the recent advances in costs of all raw materials entering into the company's products does not retard building construction, according to A. K. Cameron, vice-president.

* * *

Associated Breweries—The dividend on Associated Breweries common shares, to be paid March 31, is 20 cents a share, not 40 cents as reported erroneously in The Financial Post of March 20.

* * *

Canada Dry—Gossip of merger possibilities in connection with other beverage firms in the United States is reported from New York.

* * *

International Nickel—Acquisition of 2,000 shares, increasing the holding from 3,000 to 5,000 shares, is reported for the last quarter of 1936 by General Public Service Corp., American investing firm.

* * *

M. & O. Paper—Shortage of water power hampered operations toward the end of 1936 and made necessary the purchase of newsprint from other mills to fill orders. Preparations are under way for starting the third insulite machine. The bondholders' protective agreement has been extended for 18 months from April 7, 1937, and bondholders have 15 days from March 20 to signify their dissent, according to a letter to depositors from Harry R. Mosser, secretary of the committee.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach and equip 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater 14	Indust. mines 2	Total industrials 68	Total utilities 19	Total co's 96
1929-36:*												
High	432.5	113.4	273.4	423.3	113.5	197.8	205.4	281.1	591.3	317.6	106.0	198.3
Low	39 2	3.0	37.7	67.7	30.8	78.8	33.8	44.3	74.9	56.0	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	549.3	222.0	68.5	137 4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	286.7	228.8	73.1	142.4
Weekly Figures, 1937:												
Feb. 4	161.0	38.6	120.2	229.7	78 8	185.0	140.2	198 6	553.4	222.5	71.2	139.0
Feb. 11	165.5	36.0	120.0	228.1	78.5	187.2	136.6	201.2	552.7	222.6	72.4	139.5
Feb. 18	163.7	36 7	119.3	231.1	79.4	189.9	138.7	205.6	572.8	226.1	73.5	141.4
Feb. 25	161.7	36.4	121.7	237.6	77.8	189.7	139.6	208.8	609.7	236.2	74.5	146.3
Mar. 4	167.1	37.1	123.0	249.7	79.4	191.9	139.9	210.4	610.9	241.9	73.3	148.2
Mar. 11	169.3	38.5	128.3	249.3	80.4	191.4	141.0	216.2	631.8	245.4	72.4	149.5
Mar. 18	166.9	37.8	126.0	244.8	81.8	188.4	144.2	211.9	623.2	242.2	70.4	147.1

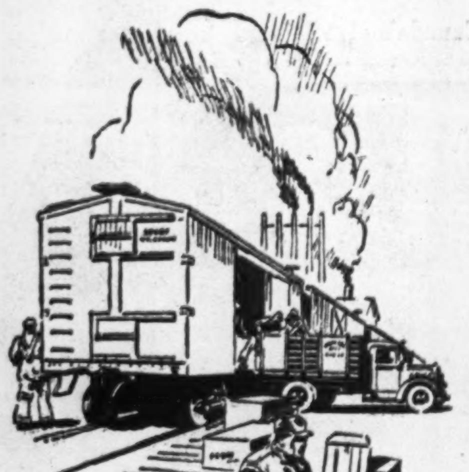
*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Mar. 23	180.79	151.39	198.70
Mar. 22	179.52	151.74	197.75
Mar. 20	182.67	154.09	201.63
Mar. 19	182.76	153.03	202.17
Mar. 18	183.41	151.97	204.18
Mar. 17	184.91	153.34	205.41
Month ago	177.76	158.90	209.41
Year ago	136.32	125.93	136.76
High, 1937	187.67	166.50	215.36
Low, 1937	163.39	145.53	193.84

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Mar. 23	86.0	116.0	106.0
Mar. 22	85.6	115.7	105.6
Mar. 20	85.9	117.0	106.6
Mar. 19	86.2	115.8	105.9
Mar. 18	86.6	116.3	106 4
Mar. 17	87.5	117.6	107.8
Month ago	91.0	114.7	106.2
Year ago	70.7	75.5	73.9
High, 1937	92.5	120.1	109.4
Low, 1937	85.6	107.8	101.3



Car Loadings Show the Trend

Railway car loadings in the first two months of 1937 showed an increase of nearly 50,000 cars compared with the total for the same period of the previous year. This gain is especially significant when it is noted that the increase reported in the whole of 1936 was only 126,997 cars.

Reliable cross section of the nation's commerce, the improving record of car loadings throws into vivid relief the progress being made by Canadian industry. Investors may share in this industrial recovery by purchasing the securities of those companies which experience the full force of business improvement.

To analyze the position of securities in their relation to the industrial trend is one of the services which this firm places at the disposal of investors.

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Machines Busy In Paper Mills

From Our Own Correspondent

MONTREAL.—Canadian newsprint mills operated at 92% of their rated capacity during January and February. This, however, does not tell the full story. All the machines in operation were working at capacity. The remaining 8% of total rating represents the idle equipment of Abitibi and Consolidated Paper, which has not been operated because of the low price of newsprint. With a continued increase in demand and higher prices, the idle machines will likely be brought into operation before long.

Company Reports

Ford Motor Co. of Canada

Ford Motor Co. of Canada reports net profits for 1936 equivalent to $2.02 a share compared with $1.17 a share for 1935. The earnings are the highest since 1929 when $3.15 a share was recorded.

Working capital includes $12.8 millions of cash and government bonds, part of which may be expected to be used this year in connection with the major expansion of Windsor plants. The decrease of some $2¼ millions in working capital in 1936 is accounted for by increased investment in plant and in subsidiary companies in New Zealand and South Africa.

Addition to earned surplus in 1936 was approximately the same as the $1 a share paid in dividends.

Income and Surplus Account Years Ended Dec. 31

	1936 $	1935
Operating income	1,708,219	100,433
Less: Remun. to exec.	252,880	161,533
Directors' fees	3,000	3,000
Solicitors' fees	12,962	8,523
Depreciation	414,357	331,096
Net oper. profit	1,025,020	*403,719
Add: Affil. cos. divds.	2,517,351	1,903,606
Interest on bonds	290,769	378,798
Profits from invest.	55,393	231,048
Net earnings	3,888,533	2,109,733
Less: Prov. for inc. tax	24,500	52,529
Inc. taxes—Canada	505,563	118,000
Net profit	3,358,470	1,939,204
Less. Divds.—Class A.	1,588,960	794,480
Class B	70,000	35,000
Surplus for year	1,699,510	1,109,724
Add: Previous surplus	17,167,326	16,027,640
Tax adjustment	......	29,962
Less: Tax adjustment	41,029	......
Surplus forward	18,825,807	17,167,326

*Deficit.

Note.—The auditors' report, in part, states "net profits of subsidiary companies for the year ended Dec. 31, 1936, have been taken into account only to the extent of the dividends received or receivable from those companies as shown in the statement of income and expenditure, and in the aggregate were in excess of such dividends."

Working Capital

	1936 $	1935 $
Current assets	25,010,505	24,856,182
Current liabilities	4,694,131	2,295,232
Net working capital	20,316,374	22,560,950

Balance Sheet Items

	1936 $	1935 $
Assets:		
Invests. in subsids.	8,520,824	6,205,502
Land, plant, etc.	27,962,150	26,693,631
Liabilities:		
Depreciation reserve	21,011,229	21,172,790

United Steel

United Steel Corp. reports a net profit of $102,557 in 1936 before payment of dividends on the preferred shares of Standard Steel Construction Co.

The results for 1936 are not comparable with those of 1935 since the accounts of Standard Steel Construction Co. are consolidated

Arrears of dividends on the preferred shares of Standard Steel Construction at the end of 1936 amounted to $51,397.

Consol. Income and Surplus Account Year Ended Dec. 31, 1936

	$
Operating profit	234,186
Add: Income from invest.	3,084
Net earnings	237,270
Less: Bond interest	15,259
Executive salaries	21,183
Directors' fees	620
Taxes	22,200
Depreciation	70,480
Future business exp.	5,000
Net profit	102,557
Less: Pref. divds.	58,740
Surplus for year	43,817
Add. Previous surplus	52,195
Less: Adjust of taxes	1,184
Loss on securities	566
Cash value life ins., adjust.	1,304
Balance forward	92.958

Working Capital

	1936 $
Current assets	1,076,533
Current liabilities	157,810
Working capital	918,723

FORM INVESTMENT FIRM

Gerald D. Martin (right) has formed an investment partnership with Walter C. Thomson under the firm name of Thomson, Martin & Co.

Recapitalization Bill Alters C. N. R. Set-Up

Liabilities Drastically Reduced by the Proposal — Central Control Planned

Recapitalization of the Canadian National Railways as contemplated by the bill now before the House of Commons calls for a reduction of $1,800 millions in the active liabilities of the railway as shown by its balance sheet at Dec. 31, 1935. Of this amount, however, $690 millions will in future be shown in the balance as the Dominion Government's proprietor's equity.

As a result of this adjustment, interest on loans made by the Government for capital and deficit purposes will not be charged in the books of the company. In other words, the deficit of the railway as shown by its books in the future will be the net cash deficit. In 1936 the net cash deficit was $43.1 millions while the total deficit after interest on Dominion Government loans was $92.3 millions.

Control Concentrated

Provision is also made in the bill to centralize the corporate stock control of the Dominion of all companies now comprising the Canadian National system through one company, the Canadian National Railway Co. This is a preliminary step to the legal amalgamation of certain constituent companies with a view to effecting savings in accounting and other costs. For instance, the necessity to submit separate annual income statements relative to the Canadian Government railways is eliminated.

Centralization of control will also make possible the unification of certain funded debt issues of the Canadian National system through refunding in the name of the parent company, to bring about savings in interest and other costs.

In order to facilitate the adjustment in the company's accounts and to preserve the prior rights of the Dominion against any contingencies that might affect the securing of potential savings, in connection with certain unguaranteed securities and subsidiary company capital stocks held by the public, the bill provides for incorporation of a Securities Trust with a capitalization of five million shares of no par value. The capital stock of the Trust will be held by the Dominion Government.

Actually the Securities Trust will be little more than "a dummy company" for there is little possibility of it ever realizing any income. Its assets, in fact, will be entirely frozen, consisting entirely of $1,140 millions of indebtedness of the railway to the Government. Assets and liabilities of the Trust are as follows:

Assets of Securities Trust As at Dec. 31, 1935

	$
Claims for principal of loans:	
Canadian Northern Rly.	312,334,805
Grand Trunk Rly.	118,582,183
Grand Trunk Pacific	116,006,599
Canadian National Rly.	98,603 869
	645,527,456
Claims for interest on loans:	
Canadian Northern	286,299,558
Grand Trunk Pacific	73,844,670
Canadian National	134,885,909
	495,030,137
Total assets	1,140,557,593

Note—In addition to the interest shown there is an amount of $41,554,978 in suspense, which will be included in the indebtedness transferred to the Securities Trust. This amount had not been taken into account by the C.N.R. accounts.

Liabilities of Securities Trust As at Dec. 31, 1935

	$
Capital stock represented by:	
Loans from gov't.	645,527,456
Less: Loss in operation	361,244,350
Value of capital stock	284,283,105
Acquisition surplus:	
Loans excluded as above	361,244,350
Accrued interest	495,030,137
Total surplus	856,274,487
Total liabilities	1,140,557,593

Note—While the proprietor's equity is initially stated at $284 millions the final equity will include the remaining value in the total loan and accrued interest through the 100% stock ownership of the Securities Trust.

Changes in the balance sheet as proposed by the bill may be summarized as follows:

(1) Cancellation of stock of the old Grand Trunk carried in the balance sheet at $165.6 millions. This proposal is based upon the 1921 findings of the Grand Trunk Board of Arbitration which found the stock to have no value.

(2) Cancellation of $82 millions of Canadian Northern stock. Stock of this company has been carried in the balance sheet at $100 millions while the Board of Arbitration in 1918 found the issued stock of the company to have a value of only $18 millions.

(3) Cancellation of $15.1 millions of advances made to the Grand Trunk Railway, ranking junior to the company's preferred and common stock, which were found by the Grand Trunk Board of Arbitration to have no value.

(4) The value of assets as shown by the balance sheet is to be reduced by the amount of the accumulated total of items (1), (2) and (3), namely $262.7 millions.

Transfer of Loans

(5) Transfer of $34.3 millions of loans made for capital purposes in the years 1932-35 inclusive to temporary loans to be funded, bringing the total to $109 millions.

(6) Transfer of loans of $645.5 millions from the Dominion Government and interest of $495 millions on Government loans to the Securities Trust. Interest on these loans will not be charged on the books of the company in future. Since the accumulated deficit of $856.2 millions shown in the balance sheet as at Dec. 31, 1935, consisted of $361.2 millions of loans made for current purposes and $495 millions of accrued interest, this deficit is now eliminated from the balance sheet.

(7) Transfer of $308.2 millions of loans from the Dominion Government for capital expenditures on Canadian Government railways transferred from active liabilities to the proprietor's equity account.

(8) In future the balance sheet of the company will not show an accumulated deficit, deficit being charged directly to the consolidated revenue account of the Dominion. Surpluses may be paid to the consolidated revenue account or retained as directors may decide.

C. N. R. Liabilities As at Dec. 31, 1935 (Before adjustment)

	$
Stock owned by gov't.	265,627,738
Minority interest	4,584,225
Gov't. grants	17,713,538
Bonds outstanding	1,154,779.001
Loans from gov't.:	
Temporary	74,726,975
Advances	679,873,935
Accrued interest	495,030,137
Gov't. exp. on govt. rlys.	405,062,275
Current liabilities	45,330,202
Deferred liabilities	3,423,088
Credits and reserves	32,926,485
Appropriated surplus	2,346,123
Less: Deficit	856,274,487
	2,325,149,836

C. N. R. Liabilities As at Dec. 31, 1935 (After adjustment)

	$
Minority interest	4,584,225
Government grants	2,570,905
Bonds outstanding	1,154,779,001
Advances from Dominion	*125,845,435
Current liabilities	45,330,202
Deferred liabilities	3,423,088
Credits and reserves	35,272,608
Total liabilities	1,371,805,464
Dom. gov't.—Proprietor's equity:	
Candn. Northern stock	18,000,000
Securities trust shares	284,283,106
Candn. gov't. rly. expend.	383,290,294
	2,062,378,864

*Includes $16,771,980 of working capital for Canadian government railways. This loan is non-interest bearing.

Reason for Changes

The main reason for the bill, according to the Government, is to remove the possibility of people getting a distorted view of the country's finances. In the past there has been a tendency in some quarters to add the direct debt of the Dominion and the total liabilities of the C.N.R. together in order to show the total debt of the Dominion.

This has given a very exaggerated figure since a large part of the liabilities of the railways was owing to the Dominion and this amount is included in the direct debt. Actually, only the funded debt of the railway, that is bonds outstanding in the hands of the public, should be added to the direct debt of the Dominion.

The principal criticism of the bill by the Opposition and in financial circles has been that by juggling the accounts of the railway the Government is attempting to hide the real cost or deficit of the railways. Provision is made, however, that the Government will set out in an appendix to the public accounts a detailed statement of the cost of operating the railway.

The Financial Post is informed that this will show a truer picture of the cost of railway operation to the Dominion than has been available in the past. During consideration of the bill by the railways and shipping committee it was urged that this appendix should be shown in the C.N.R. report as well as in the public accounts of the Dominion. The Government refused to accept this proposal.

The bill merely involves the adjustment of accounts as between the books of the railway and the public accounts of the Dominion. No saving in interest charges or other costs will result. Interest on loans from the Government, however, will no longer be included in the deficit shown by the books of the railway.

Are Abitibi Bonds a Buy?

A few copies of our analysis of this situation are still available.

If interested, write for a copy.

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330 Bay Street Toronto
WAverley 3041

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Envelopes
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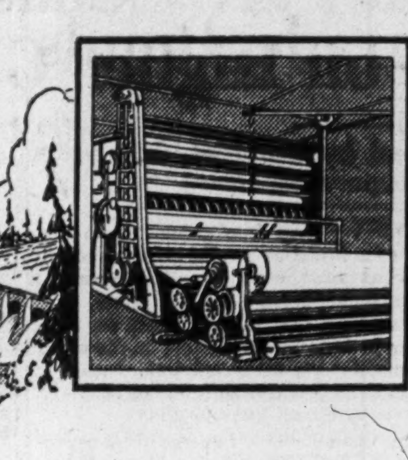
Barber-Ellis of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST



Canadian Newsprint Industry Advances

Nineteen Thirty-six witnessed a marked increase in the demand for newsprint, and in the first two months of 1937 Canadian production increased 25.2% over the corresponding period in 1936. Already newsprint production in Canada is larger than ever before. Many Canadian newsprint mills are operating at capacity, and the average rate of operations is higher than has existed at any time since 1929.

Canadian newsprint mills enjoy three distinct advantages — vast timber limits, readily accessible and low-cost power, and proximity to United States, the largest newsprint consuming market in the world. Canadian mills provide United States with over 60% of its newsprint requirements.

Demand for Canadian newsprint from Great Britain, the Orient and other parts of the world is also increasing.

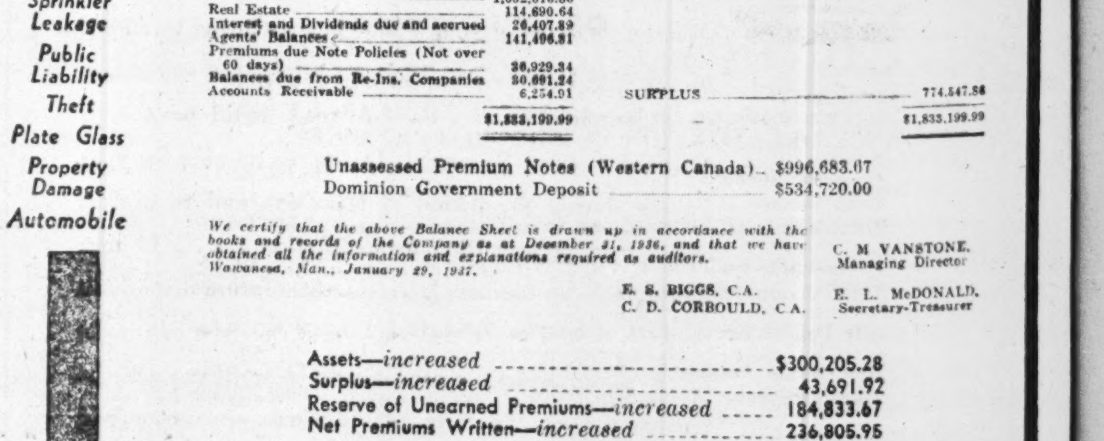
For these reasons, we direct attention to the investment opportunities afforded by the securities of Canadian newsprint companies.

Enquiries invited.

36 King Street West
Toronto
Telephone: ELgin 4321

Wood, Gundy & Company Limited

The Wawanesa Mutual Insurance Company
Canada's Largest Fire Mutual



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Fire
Weather
Sprinkler Leakage
Public Liability
Theft
Plate Glass
Property Damage
Automobile

The best insurance that money can buy at lowest rates that buy safe insurance

BALANCE SHEET—December 31, 1936

ASSETS			LIABILITIES	
Cash on Hand and in Banks		$ 424,713.30	Provision for Unpaid Claims	$ 116,895.48
Bonds, Dom. Govt. value	$693,018.86		Reserve of Unearned Premiums	781,836.55
Stocks, Dom. Govt. value	208,872.50		Taxes due and accrued	31,001.43
Guaranteed Investment Receipt	10,000.00		Re-Insurance Premiums	39,165.31
Mortgage Loans	131,447.54		Expenses due and accrued	6,900.43
Agreements for Sale	8,677.96		Reserve of unregistered re-insurance	82,852.91
		1,052,016.86		
Real Estate		114,690.64		
Interest and Dividends due and accrued		26,407.89		
Agents' Balances		141,406.81		
Premiums due Note Policies (Not over 60 days)		36,929.34		
Balances due from Re-Ins. Companies		30,601.24		
Accounts Receivable		6,254.91	SURPLUS	774,547.88
		$1,833,199.99		$1,833,199.99

Unassessed Premium Notes (Western Canada) $996,683.67
Dominion Government Deposit $534,720.00

We certify that the above Balance Sheet is drawn up in accordance with the books and records of the Company as at December 31, 1936, and that we have obtained all the information and explanations required as auditors. Wawanesa, Man., January 29, 1937.

E. S. BIGGS, C.A.
C. D. CORBOULD, C.A.

C. M VANSTONE, Managing Director
E. L. McDONALD, Secretary-Treasurer

Assets—*increased* $300,205.28
Surplus—*increased* 43,691.92
Reserve of Unearned Premiums—*increased* 184,833.67
Net Premiums Written—*increased* 236,805.95

The Wapiti Insurance Company
—Member of the Wawanesa Group—
(Registered under the Dominion Department of Insurance)

Authorized Capital $500,000.00
Subscribed Capital 366,700.00
Paid in Capital 150,335.00

BALANCE SHEET—December 31, 1936

ASSETS			LIABILITIES		
Cash on Hand and in Banks		$ 36,037.90	Provision for Unpaid Claims		$ 11,908.27
Bonds, Dom. Govt. value	$199,791.27		Reserve of Unearned Premiums		52,056.99
Stocks, Dom. Govt. value	47,245.12		Taxes Due and Accrued		4,140.07
		247,036.39	Expenses Due and Accrued		7,862.36
(Mrkt. value Dec. 31/36, $249,235.56)			Capital Stock paid in	$150,335.00	
Interest Accrued		2,959.10	Surplus	71,629.83	
Accounts Receivable		150.00			
Agents' Balances		11,744.13	Surplus for Protection of Policyholders		221,964.83
		$ 297,927.52			$ 297,927.52

We certify that the above Balance Sheet is drawn up in accordance with the books and records of the Company as at December 31, 1936, and that we have obtained all the information and explanations required as auditors. Winnipeg, Man., February 1, 1937.

E. S. BIGGS, C.A.
C. D. CORBOULD, C.A.

C. M. VANSTONE, Managing Director
H. E. HEMMONS, Secretary-Treasurer

Wawanesa Mutual and Wapiti Head Offices: Wawanesa, Manitoba

Branch Offices across Canada at:
Toronto 341 Church St.
Montreal 465 St. John St.
Moncton 686 Main St.
Winnipeg 405 National Trust Bldg.
Saskatoon 810 Canada Bldg.
Edmonton 405 Bank of Commerce Bldg.
Vancouver 325 Howe St.

Bond Markets

Weakness Continues In High-grade Bonds

Newsprint Issues Regain Trading Spotlight—Ontario Hydro's $19 Millions Issue Meets With Excellent Reception

While the Ontario Hydro $19 millions issue was a marked success investors continue wary of making commitments. Trading in high-grade government issues continues light and as result prices have slipped further. Buying is of a selective nature, high coupon bonds being favored.

High-grade corporation issues have moved in sympathy with the government list, Bell Telephone 5's losing two points. Trading in this group, however, has been more active, demand indicating that some investors have turned from gilt-edged government bonds to corporation issues where the yield is higher.

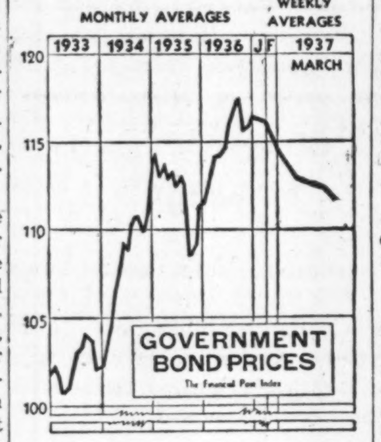
Investment circles are divided into two schools of thought in interpreting the meaning of the recent decline in prices. One group feels that, while the peak has been reached, the recent sharp decline in bond prices is only a temporary condition and that much of the ground lost during the past three months will be regained later in the year. This opinion, of course, is based on the assumption that no new unfavorable factors enter the market. The other group is equally emphatic that the recent drop constitutes the start of a major cyclical decline in bond prices and that a 4% yield on high-grade government issues can be expected within a year.

Calgary ratepayers have approved the proposed refinancing for that city.

Newsprint Bonds

TRADING in bonds of Canadian newsprint producers has again become active, following announcement of a base price of $50 a ton for newsprint for the first half of 1938. Prices of such issues as Abitibi 5's, Consolidated Paper 5½'s and M. & O. Paper 6's have risen sharply.

Investors and speculators alike are hopeful that this increase of $7.50 per ton will mean the restoration of the newsprint issue to a stable basis and the elimination of receiverships. Coincident with the announcement, a number of concerns reported their 1936 earnings and in each case a substantial improvement was shown over 1935. Further improvement will be recorded in the current year as the base price is $1.50 per ton higher than in 1936.



* * *

Hydro Issue

THE marked success of the $19 millions issue of the Hydro-Electric Power Commission of Ontario was somewhat of a surprise. Priced below the market for corresponding issues the entire loan was taken up in a very short time.

The issue consisted of $11 millions of 2½% bonds, due 1942, and $8 millions of 3½% bonds, due 1947. The price obtained for the entire issue was 97.18 which gives a cost basis to the Hydro of 3.39%.

The 2½% bonds were offered at 98.84 to yield 2.75%. It is understood that most of these bonds were taken up by the chartered banks. The 3½% bonds were offered at 98 to yield 3.75%.

* * *

Ontario Bonds

OF INTEREST to investors is the announcement that the Ontario Government's $20 millions issue which was offered in January has not all been sold. Only $10 millions of the issue was purchased outright, an option being taken on the other $10 millions. It now develops that the total amount of bonds taken up was only $15.3 millions, leaving $4.7 millions in the hands of the Government. The possibility of such a development was indicated by The Financial Post immediately after the loan was offered.

* * *

Brazil Bonds

UNITED States of Brazil, through its agents, Dillon, Read & Co. of New York, is notifying holders of its 6½% bonds of 1926 and 1927 that funds have been remitted for the payment of the April 1 and April 15 coupons at the rate of 50%.

Payment will be made at the rate of $16.25 on a $32.50 coupon and $8.12½ on a $16.50 coupon. Coupons must be accompanied by a letter wherein the coupon holder agrees to accept such payment in full satisfaction and discharge of the coupons.

A new debt settlement for the U. S. of Brazil is due this year, and bondholders hope for better returns.

* * *

Bond Index

THE trend of the high-grade market is indicated below:

The Financial Post Index of Average Price and Yield of High-Grade Govt. Bonds

1936	Price $	Yield %	1935	Price $	Yield %
Mar. 23	111 67	3.501	Mar. 23	114.55	3.303
Mar. 22	111.75	3.487	Mar. 21	114.53	3.305
Mar. 20	111.68	3.498	Mar. 21	114.52	3.306
Mar. 19	111.70	3.497	Mar. 20	114.05	3.354
Mar. 18	111.74	3.494	Mar. 18	113.92	3.364
Mar. 17	111.95	3.481	Mar. 18	113.82	3.373
Year's	116.81	3.026	Year's	117.91	2.966
Range	111.68	3.498	Range	111.50	3.597

Drastic Tax Plan Drafted By Montreal

Legislation Sought for New and Increased Levies

From Our Own Correspondent

MONTREAL.—New and increased taxes feature the draft of the Montreal Bill to be taken under advisement by the Montreal city council before presentation to the Legislature for approval.

The lengthy list starts off with a covering tax. This clause in the bill gives the city power to impose in the form of permits, a special tax, not to exceed $200 on any business, industry, manufacturer on commercial establishment, "occupation, art, profession, trade or means of profit or livelihood."

The special taxes set forth in the draft bill follow:

An annual tax of $5,000 on the principal office of any bank established and doing business in the city and an annual special tax of $1,000 on every bank branch established and doing business in the city.

Tax not exceeding $100 on every broker and an annual special tax of $1,000 on every person, firm, company or corporation or agent or representative of any firm, etc., doing a brokerage business in Montreal Stock Exchange, the Montreal Curb Market, and Investment Dealers Association.

Tax not exceeding $1,000 on every owner, occupant, or tenant of clubs, concert cafés, singing cafés and dancing cafés.

Money Lenders to Pay

Tax of $1,000 on all individuals or firms lending money on the security of movables or wages and charging more than 10% interest per annum, except stock brokers and incorporated companies; and an annual tax not exceeding $200 on every person carrying on a trade of notes, accounts, sales contracts and mortgages, salaries, taxes and other debts.

Rental tax for chain laundries and dry cleaning establishments not to exceed $150 on each store up to the fifth; $350 up to the tenth; $450 up to the 15th; $600 up to the 20th; $800 up to the 25th; and $1,000 above the 25th store.

Special tax of $50 for every person carrying on the business of exterminating vermin.

The draft bill proposes to give the city authority to impose an annual tax of $50 on every truck used to carry gasoline or oil and taxes ranging from $75 to $250 on commercial and motor vehicles, the rate depending on weight and tires and number of driving accidents.

Also provided are:

Special tax of $10 on each pole used to prohibit the parking of vehicles in certain places in the city; an annual special tax of five cents per square foot of any private piece of land used for parking automobiles for remuneration; an annual special tax not exceeding $200 on every person, firm, etc., trading in used automobiles.

Tax not exceeding $100 on each gasoline station.

An annual special tax of $25 for the sale of candy, tobacco and refreshments in any drug stores

Tax not exceeding $200 on every massage establishment.

Hits Big Operators

Tax of $10 on bread delivery vehicles.

Tax of $35 on vehicles delivering bread and pastry and $25 for pastry alone.

Milk and cream delivery, $10 tax.

Milk and cream deliveries carrying other alimentary products, $35.

Tax not exceeding $200 on private hospitals, laundries and junk dealers.

Tax not exceeding $50 on real estate agents.

Tax not exceeding $200 on hawkers and pedlars.

Special tax not exceeding $200 on canvassers.

Tax of $100 on jobbers.

While fruit and vegetable dealers will not be subject to the special tax imposed on pedlars, they will pay a tax of $50 per vehicle used in their business.

Special Insurance Tax

Special tax not exceeding $1,200 on every company engaged in the business of insurance.

Special tax not exceeding $100 on every person canvassing for the taking of photographs or carrying on the art of photography, other than in a place of business entered on the valuation roll.

Tax not exceeding $50 on every person not residing in the province and who comes to work in Montreal harbor as longshoremen or any other capacity.

Chain Stores Target

An annual tax on chain stores of the "5 and 10" variety, such a tax not to exceed $100 for each of the first five stores, $200 for each up to 10; $300 above the 10.

Tax of $15 on every truck belonging to a merchant, manufacturer, industrialist or contractor, with the exception of those subject to the municipal tax in respect to their weight.

M. & O. Paper Sales Expand

Annual report of Minnesota and Ontario Paper Co. for 1936 shows net income nearly sufficient to cover depreciation and depletion. Net sales are up $2.4 millions as compared with 1935 but cost of sales has increased $2.5 millions.

Net deficit for the year is lower but the greater amount of this reduction is occasioned by lower write-offs and reserves.

Consol. Income and Surplus Account (Excluding National Pole & Treating Co.)

Years Ended Dec. 31	1936 $	1935 $
Net sales	13,167,422	10,819,303
Less: Cost of sales	10,835,041	8,277,129
Gross profit	2,332,381	2,542,174
Less: Sell., admin., trustee exp.	1,525,066	2,321,637
Oper. profit	807,315	220,537
Add: Other income	115,803	47,428
Net income	923,118	267,965
Less: Depletion	300,616	222,785
Depreciation	750,136	760,590
Int. accr. & paid	29,117	35,508
Int. accr. but not pd.	2,457,901	2,559,417
Other p. & l. items (net)	503,722	2,615,256
Res. red. N. P. & T. stock	176,807	198,381
Net deficit	3,295,181	6,123,972
Less: Prev. surplus	10,025,287	16,149,259
Surplus forward	6,730,106	10,025,287

Working Capital

	1936 $	1935 $
Current assets	6,092,479	5,180,513
Working capital	4,512,051	3,563,303

Lombard Realty Pays 4% on Income Bonds

An interest payment of 4% will be made on the 5% first mortgage income bonds of Lombard Realty Co. on April 1, 1937. This payment, which represents interest for the year ended Dec. 31, 1936, will be made on presentation of coupon No. 1 at The Royal Bank of Canada, Toronto.

Municipal Bankers Pays 1% Interest on Bonds

Holders of the income bonds of Municipal Bankers Corp. (1931) received a payment of 1% interest on March 15, 1937. The last previous payment of 2% was made in March, 1934.

Municipal Bankers has not been able to effect any great changes in its position. A substantial amount of the outstanding income bonds have been retired, the balance held by the public amounting to $1,971,500 compared with $2,108,000 in Nov., 1935. Assets now total between 85% and 90% of funded debt although some mortgages have been dropped.

The company has had earnings sufficient to cover the March 15 interest payment but much of its income has been required to set up reserves against assets, most of which consist of second mortgages on Toronto properties, and to pay taxes and make improvements.

We offer

$100,000

Province of Nova Scotia

3% Bonds

Due January 2, 1952

Payable in Canada

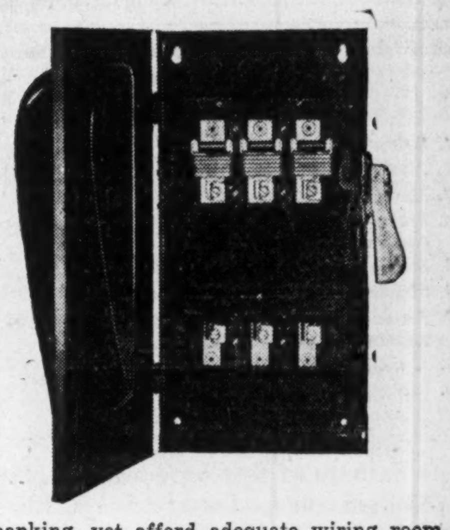
Price 93.50 and Interest

To yield about 3.56%

BELL, GOUINLOCK & CO. LIMITED

MONTREAL TORONTO WINNIPEG

Vacu-Break SAFETY SWITCH



GIVES YOU AN EXTRA MARGIN OF *Safety*

Exhaustive laboratory tests and extensive use under severe operating conditions have proven that the Bull Dog Vacu-Break Switch is ideal for every industrial and Public Utility application. Every test demonstrated conclusively that the Bull Dog Vacu-Break far exceeded H.E.P.C. requirements for safety and surpassed all expectations in interrupting ability, endurance and reliability.

The Bull Dog Vacu-Break is a revolutionary and highly effective principle of switch construction. Contact Heads are of Bakelite . . . sealed to keep out dust and moisture. And the Vacu-Break provides better rupturing performance; **double-sealed** minimum arc chamber; enclosed moving and stationary self-aligning contacts; better conductivity; fewer parts.

Housed in stylined enclosures with handles to match, Bull Dog Vacu-Break Safety Switches require less space, permit closer banking, yet afford adequate wiring room. They are available in both "A" and "C" Types, in a wide range of sizes and prices. Write to your nearest Bull Dog office for further details.

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A DIVISION OF
Amalgamated Electric Corporation Limited
TORONTO MONTREAL

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THE PRUDENTIAL ASSURANCE COMPANY LIMITED OF LONDON·ENGLAND

The Largest Insurance Organization in the British Empire

.. points with Pride to Another Year of Progress—

The figures below, extracted from its 1936 annual report, are concrete evidence of the stability of THE LARGEST INSURANCE ORGANIZATION IN THE BRITISH EMPIRE.

Premium Income	$ 186,459,621
Total Income	264,448,870
Total Assets of All Branches Exceed	1,575,000,000
Payments to Policyholders in 1936 Exceeded	$135,000,000
Total Claims Paid Exceed	2,575,000,000
Life Policyholders' share of Surplus for Year	$ 33,279,430
New Sums Assured	$453,250,720
Total Life Sums Assured in Force	4,068,870,025

The figures above are converted on the basis of $5.00 to £.

DIVIDENDS FOR 1937

All fully participating life policies of the Canadian Class will receive upon the policy anniversary in 1937 the following dividends:

WHOLE LIFE $23.00
Paid-up insurance per $1,000 Sum Assured

ENDOWMENT $20.00
Paid-up insurance per $1,000 Sum Assured or equivalent cash dividends

PARTICIPATING POLICIES RECEIVE DIVIDENDS EACH YEAR ALL CANADIAN POLICIES WRITTEN AND ISSUED IN CANADA. ALL CANADIAN CLAIMS PAID IN CANADA IN CANADIAN FUNDS

Head Office for Canada: 465 ST. JOHN STREET, MONTREAL

Branch Offices in the following cities:

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WINDSOR LONDON QUEBEC CITY HALIFAX

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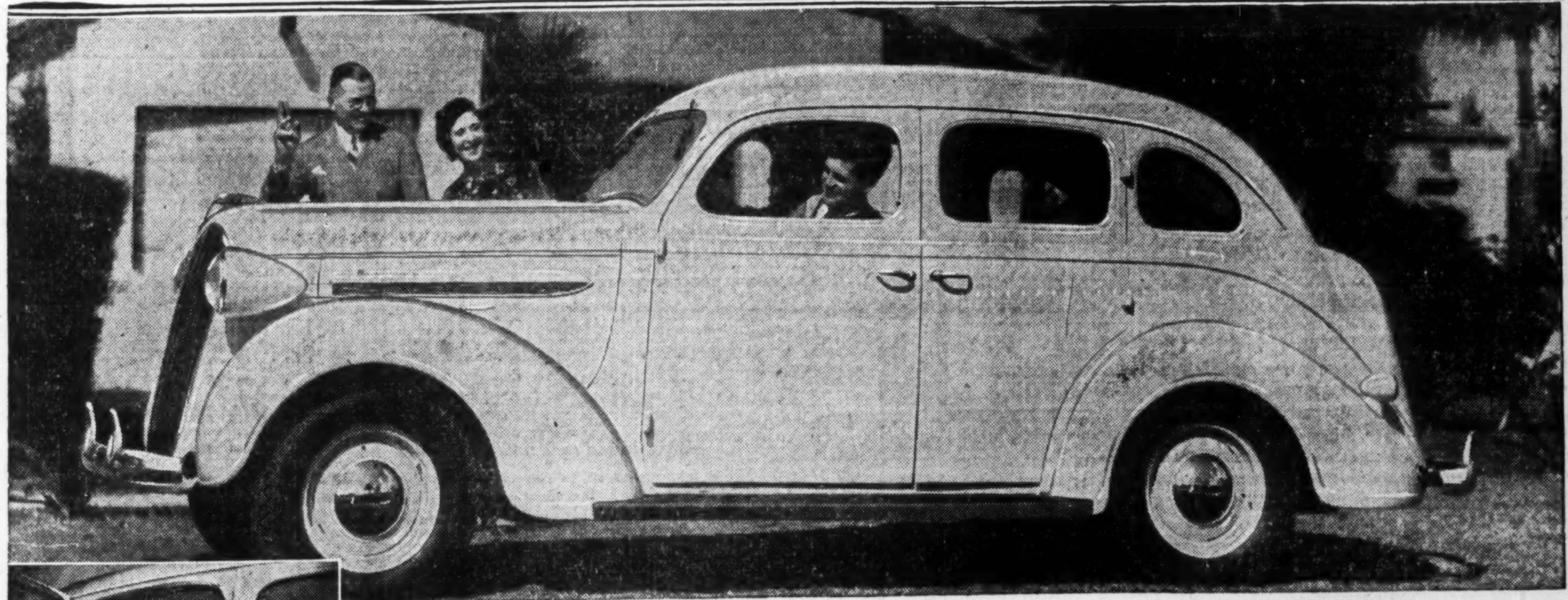
DISTINCTIVE BEAUTY!

SMART AERODYNAMIC DESIGN . . . ULTRA MODERN RADIATOR GRILLE . . . EVERY LINE AND CONTOUR OF BODY, FENDERS AND HOOD ARE SOFTLY ROUNDED, SMOOTHLY FLOWING, LONG AND SLEEK . . . ATTRACTIVE ONE-PIECE STEEL ROOF . . . MORE GRACEFUL REAR LINES!



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PLYMOUTH TRUNKS are wider, higher, deeper! More luggage space than ever before!

CHRYSLER stylists and designers have achieved a striking new beauty in the 1937 Plymouth that is winning more enthusiastic admiration from Plymouth owners this year than ever before!

It is the biggest, roomiest, most graceful Plymouth ever built! Plymouth *looks* sturdy and it *is* sturdy! Plymouth owners say Plymouth "stands up best".

Many great new Plymouth features make for greater comfort, safety and economy! New Airliner-type Hydraulic Shock Absorbers . . . Rubber-cushioned Body Mountings . . . New Hypoid Rear Axles formerly found only in high-priced cars . . . Floating Power Engine Mountings . . . New Scientific Sound-Proofing . . . improved steering and shifting . . . Hydraulic Brakes . . . Safety All-Steel Bodies and New Safety Interior . . . Chair-height seats . . . wide doors . . . low floors.

See and *Drive* the New Plymouth before you buy. Visit your nearest Chrysler-Plymouth dealer today!

EASY TO BUY
Ask your Chrysler-Plymouth dealer about the official Commercial Credit Corporation Time Payment Plan.

$766* AND UP Delivered in WINDSOR

Government taxes, freight and license extra.
**Subject to change without notice.*

Tune in on Major Bowes' Amateur Hour, Columbia Network, 9 to 10 p.m. Eastern Standard Time . . . EVERY THURSDAY.
Free autographed photograph of Major Edward Bowes on request. Write to Chrysler Corporation of Canada Limited (Plymouth Division), Windsor Ontario.

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GREAT BRITAIN, London—Resident representative, J. K. Ross-Duggan, Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, MARCH 27, 1937

The Financial Post's Platform for Canada

1. Balanced budgets.
2. Abolish politics in C. N. R.
3. Merit system in public service.
4. Freer foreign trade through Empire preferences and foreign treaties.
5. Stable tariffs for balanced development.
6. Stricter laws to protect investors.
7. An even break for Canadian national newspapers and periodicals.
8. A modernized constitution.
9. Integrity in meeting public obligations.
10. Wider markets for our farms.

The Fathers of Re-Confederation. 3.

THE announcement of the Prime Minister that a Royal Commission will shortly survey the financial problems of Confederation is an important milestone in our progress as a nation. It gives us the promise of an independent survey of some of the major problems of Confederation. It indicates that we are no longer afraid to tackle a difficult problem that has been a long time growing. That problem is the growing insecurity of our nationhood; the appearance of many cracks in the structure of Confederation.

Where we thought we had achieved one nation we have been beginning to wonder if perhaps we did not have four or five or even nine nations tied together by rather loose and unsatisfactory strands, like those that bind the unhappily married man and wife.

The financial problems that gave rise to the appointment of this Royal Commission are symptomatic of the larger problems of Confederation in Canada.

If there were not financial strains to reveal the weaknesses in our national structure we should be able to recognize the need for a Governmental overhauling, for constitutional modernization, from other cracks that are making themselves apparent.

From time to time there is incipient discussion of "secession" in different parts of Canada. As actual forecasts of secession we do not take these threats very seriously. Usually they are voiced by small minorities in certain areas. Economic logic itself demonstrates how futile such discussions are.

The importance of the secession talk is solely this: that it demonstrates the existence of discontent; and discontent among any large group in the population is something that has to be considered and met.

There is other evidence that all is not well with Confederation. Recently two leading Western newspapers have been asking for a Duncan Commission for the West. That phrase "Duncan Commission" calls to mind the Maritime Rights movement in the provinces by the sea shortly after the war. At that time there was very deep and dark depression in the Maritime Provinces. A splendid British public servant and industrialist, Sir Andrew Rae Duncan, was appointed chairman of a commission which examined Maritime grievances and made numerous recommendations.

What the Duncan Commission gave us was a plan for state intervention to achieve—as regards a group of three provinces—a different and presumably more equitable distribution of the economic benefits of nationhood; a sort of "share-the-wealth" movement.

The recommendations were adopted almost in toto. During these years of depression there has been greater stability in earning power in the Maritime Provinces than anywhere else in Canada and possibly anywhere on the Continent. The Duncan Commission cannot be ignored when credit for this achievement is apportioned.

Now it is the West that wants a Duncan Commission to study its grievances and redivide the national opportunity.

This sort of discontent with the Confederation bargain has cropped up almost continuously over the period of the three score years and ten since Canada became a nation. In the past we have had a happy way of meeting every situation that arose. It was to find an "ad hoc" solution for each particular difficulty. Ottawa has increased a provincial subsidy here, or lowered a certain freight rate there, built a new harbor some other place or loaned a few million dollars to look after some provincial emergency.

We have done a great deal of patching. The patching has been reasonably effective and the evidence of this lies in the fact that we still have a nation here despite the almost insuperable geographical problems involved in the task.

Now we have reached the stage where the repair bills are becoming too costly. It is time to consider putting political Canada into a new constitutional house. Modernization is the watchword of the age and a job of modernization is needed in our Canadian constitution.

There are many aspects of the problem. One of the most important is that of the financial basis of government. This is the particular aspect that will concern the Royal Commission on Public Finance.

Are we to expect this Royal Commission to go further: to study the economic problems—as distinct from the purely fiscal problems—of our nationhood? This is a question that calls for deep searching. One thing ought to be regarded as axiomatic: that the commission must not deal with sectional grievances as individual problems. Its contribution must be a study of the national picture first. Sectional problems are, of course, part of that picture, but should be viewed in broad perspective.

Personal Liberty Worth Preserving

QUEBEC legislature has before it a government bill giving the attorney-general power to padlock any premises used for propagating communism or bolshevism. It also makes the propagation of communistic ideas, in any form whatsoever, illegal.

The government's intentions are probably of the best but the legislation is much too extreme. It is definitely an interference with private liberties and freedom of speech and should not be tolerated in any British community.

Under the act a newsdealer's kiosk could be padlocked if the newsboy offered for sale a copy of a Moscow newspaper, of "The New Masses," "The New Frontier," "The Daily Clarion" or perhaps even on occasion "The Canadian Forum."

The Mount Royal Hotel could be closed up if any one of a number of University of Toronto professors gave an address there.

In fact, if Ontario had such an act staid old institutions of the character of Victoria College and Trinity University would have to be closed up for there are avowed radicals on their teaching staffs.

Communism is an economic and social theory which is offensive to a great many people. But those who believe in communism should have as much right to present their point of view to the public as those who believe in capitalism, a competitive economy, or state socialism. They are going to propagate their views one way or another, whether within the law or not. If communist propagandists are going to be forced undercover they will work undercover and in the dark.

Objection may properly be taken to many phases of the methods of communist propagandists. They have no right to work in the schools nor for that matter have the propagandists for any narrow viewpoint. They should be held accountable to the law and to public opinion for misrepresentations and for libellous and slanderous statements. They should be punished when they incite to violence, to illegal strikes, to the attainment of their objections by force or revolution. Our universities should not have on their staffs known communist propagandists. The essence of all education should be to open the mind to a study of all points of view and to train youthful intellects in logical reasoning and not to fill the heads of the rising generation with narrow, destructive, selfish and unreasoning ideologies, whether originating in communist, socialist or capitalist philosophies.

There are some things worse than the propagation of new and even unpleasant and unsound doctrines. Among them are the tyranny of the state and the loss of personal liberties.

Communists Back C. I. O.

INSISTENCE of leaders of the American Federation of Labor that the insurgent operations of the Committee for Industrial Organization are cordially supported, if not inspired by or allied with, Communist groups on this continent, would appear to be substantiated by a recent editorial in The Daily Clarion, Communist-labor organ, published in Toronto. A recent issue of the journal, generally regarded as the official mouthpiece of the Communist Party of Canada, contains a lengthy outburst of denunciation of A. F. of L. leaders and hearty support for John L. Lewis' C. I. O. drive, now thrusting itself into Canada.

The Clarion bitterly inveighs against the "splitting tactics" of A. F. of L. leaders and warmly commends the "revitalizing" effect of the C.I.O. drive and its benefits to the masses of industrial workers.

Despite the Clarion's protestations that the A. F. of L. leaders are preventing labor unity and blocking the supposed C.I.O. desire to work in harmony, the fact remains that it was the C.I.O. that split Labor in the United States. In Canada the Trades and Labor Congress, which is the federation of A. F. of L. branches here, has done all it could to preserve unity by refraining from expulsion or suspension of Canadian units of the C.I.O. unions.

It may embarrass C.I.O. leaders to have the Communists rally so openly and definitely to the C.I.O. banner. But it is impossible to overlook the fact of this support and the threat to Canadian industrial stability inherent in Communist fondness for provocation of industrial turmoil and disorder. Canadian workers may well be suspicious of the tongue-in-cheek plea of the Clarion for labor unity—to be produced, forsooth, by support of the C.I.O. and contempt for the A. F. of L.

The C.I.O. drive for organization of workers by industries, as opposed to craft unions, is right down the Communist alley, so to speak. Still fresh in the minds of both American and Canadian workers are the Communist efforts in past years to implement the Red gospel of industrial unionism by "boring from within" the existing labor organizations, and attempting to seize control through disruption.

As final proof of Communist approval of the C.I.O. came this United Press despatch from Moscow this week:

"K. Redmill, writing in the Communist International Magazine No. 2, today praised the 'work of Communists in the General Motors strike' at Detroit and Flint, Mich.

"'During the entire strike,' he said, 'Communists were active in a leading rôle. They conducted many-sided work in helping strikers, collected money and carried out demonstrations of solidarity.

"'The Communist Party through its central organ, the New York Daily Worker, gave advice on how to conduct the struggle, and in many instances this advice was adopted.'"

Wage Orgy Means Trouble Ahead

THE emotional tides that sweep over the American people seldom leave industry or business untouched. Some industrial leaders make no effort to resist the course of events, while others who do attempt to hold their balance are swept along against their will.

Right now United States industry is in the middle of a competitive effort to increase wages. With each wage increase goes a mark-up of prices to the consumer.

A certain measure of wage increase is desirable now and is fully justified not only by a higher cost of living but by increasing prosperity. But in many industries more money is now being put into pay envelopes than the productive income of the country can provide. This merry-go-round of rising wages and rising prices differs from the ordinary merry-go-round in that it leads somewhere and that somewhere is inflation.

It is likely that before many months have passed United States industry will find itself in the position of paying out more wages and charging higher prices than the consuming public will readily accept. Then will come another headache.

The Iron Age estimates that if all wage earners in the United States received increases proportional to those handed out in the steel industry it would increase the wage bill of the nation $10 billions a year. Yet, the increased wages would not have produced any more physical wealth to meet the bill. Any excess to put in the pay envelope can only come out of inflationary price increases. They will be shrunken dollars. Then Labor will find itself with less actual buying power than before and many other groups in the community will find themselves in a figurative bread-line.

Canadian industry is being seriously affected by the tidal wave of wage increases. Canadian branches of American firms are being ordered to raise wages; their Canadian competitors have to follow suit to avoid criticism. Six months from now a great many of these wage increases will be forced through the wringer of downward adjustment.

More moderate wage increases at this time, accompanied by an unrelenting pressure on the part of industry to keep the price of manufactured goods from rising, would put more real purchasing power into the pockets of workers and help to ensure the continuance of present prosperity.

Yet it is unpopular for industrial leaders to say such things publicly. They subject themselves to the charge of being opposed to measures that might improve the welfare of the workers. So they permit themselves to be swept along on the tide even though they know that it must lead to trouble later on.

Editorials in Brief

An advertiser offers an airplane at £1,750 "ex-works." But what good would it be without the works?

• • •

"To play along with an unbalanced budget is to play with fire." So remarks the eminently sound Brookings Institution of Washington in its study of the Recovery Problem in the United States. The comment applies to Canadian Governments as well as to the United States Government.

• • •

The Saint John Telegraph-Journal calculates that in addition to the Maritimers representing 50 Maritime seats in Parliament there are 14 other members who hailed originally from the three Atlantic coast provinces.

In producing the nation's leaders the Maritimes are rapidly becoming the Scotland of Canada.

• • •

Parliament has decided to meet on Easter Monday. Not a single voice was raised in protest when Sir George Perley made the suggestion and it was adopted by the Minister of Justice.

This unanimity on the desirability of meeting on Easter Monday to get through the business of the country suggests that whatever religious significance there is attaching to the date, it is not of sufficient importance to stand in the way of abandoning Easter Monday as a statutory holiday. It is observed by few commercial or industrial establishments in any event and following on the heels of Good Friday it is an economic nuisance to most people.

Sayings of the Week

"It is easy to show a surplus if you leave the bills unpaid."—*Hon. G. S. Harrington.*

• • •

"A no-man's land of final futility."—*President Roosevelt's definition of the U. S. Supreme Court.*

• • •

"The science of one generation, however abstruse it may seem, becomes the mere 'common sense' of the next."—*Havelock Ellis.*

• • •

"Our object must be to stabilize the very moderate prosperity we now enjoy and distribute it more widely."—*John Maynard Keyes.*

• • •

"Germany has reverted to the middle ages and by that reversion her workers have been degraded almost to serfdom."—*John L. Lewis.*

• • •

"If you do a little thinking you will know that the present depression was not caused by the Social Credit government."—*Premier Aberhart.*

• • •

"There may be secret diplomacy but I confess I have had cause to wonder whether there is not too much open diplomacy." — *Anthony Eden.*

• • •

"Men are not always as good as the cause they lead. You do not necessarily damn a government when you debunk its leader."—*Dr. Glenn Frank.*

• • •

"It would appear that the courts and the Parliament of Canada are simply at the mercy of married couples who have made up their minds to get a divorce."—*Hon. J. J. Hughes in the Ottawa Senate.*

—*Cartoon by Grassick.*

ANOTHER SIT-DOWN STRIKE?

The R. M. C.

LIGHT on the purely nominal proportion provided by students' fees toward the cost of maintaining Canadian institutions of higher education was thrown in recent information submitted to Parliament in regard to the Royal Military College at Kingston. There, it appears, the annual fees of the cadets absorb only one-twentieth of the total cost of operating the establishment, the remainder of the budget being furnished by the Government.

This year's appropriation by the defense department for R.M.C. amounts to $377,200. A further contribution of $20,000 comes from annual fees from students, amounting to $100 a year each for the 200 or more cadets enrolled. The total annual outlay to keep up the institution would thus appear to be approximately $400,000; or $2,000 per student, of which the Government puts up $1,900.

Fees versus Costs

Putting it in another way, it costs $8,000 to train and graduate each cadet during his four years at R.M.C., with the cost to the Government set at $7,600 and the proportion borne by the student, $400. It thus costs $1.6 million to put a complete enrolment through the course. As a matter of fact, the total cost to parents to put a boy through the College is in the neighborhood of $1,500-$2,000, as in addition to fees there must be provided each year expense allowances of $200 for each cadet, and $250 in the first year for outfitting allowance.

A large item in the College budget consists of salaries for the staff, $52,000 for the military executives and instructors and $61,000 for the civil professors and instructors in academic subjects, or a total of $113,000. There are 17 members of the civil staff and an equal number on the military staff, including a nursing sister, an accountant at defense headquarters, and two officers abroad.

Admission to the College is on a quota basis allowing for entry of 44 new cadets every year, but usually a few more than the quota are admitted. The quota of admissions by provinces is as follows: Ontario, 14; Quebec, French speaking, 9, English speaking, 2; Nova Scotia, 2; New Brunswick, 1; Manitoba, 3; British Columbia, 3; Saskatchewan, 4; Alberta, 3; Prince Edward Island, 1. There is also a quota of two for sons of ex-cadets living elsewhere in the Empire, or sons of civil servants, diplomats, members of the militia, or attaches of commercial institutions residing abroad temporarily.

Not Many in Army

Ordinarily a candidate for admission must be a British subject, hold a certificate equivalent to junior matriculation, and be the son of parents who have resided in Canada for at least two years prior to date of entrance.

The proportion of graduates of the College who obtain commissions in the various armed forces after graduation appears to fluctuate considerably from year to year. According to figures presented to Parliament by Hon. Ian Mackenzie, minister of national defense, the percentages of graduates taking commissions in 1919 and subsequent years, ranged from 5 to 49% and averaged about 26%.

Thus, a great majority of graduates to not enter the armed forces, but take up civilian occupations, usually in the engineering professions. This has inspired suggestions that R.M.C. should be maintained strictly as a military institution for boys planning to take up a military career, but it is pointed out that in most years there were not sufficient vacancies in the armed forces to absorb all graduates and that those who took up civil careers at least formed a valuable reserve of men who could readily be trained as officers in case of emergency.

The fact that instruction is primarily in military and allied subjects, and that no degrees are granted on graduation, in conformity with the provisions of the British North America Act which allocated jurisdiction over education to the provinces. If the College gave degrees or attempted to give a course of education predominate in civil subjects, it would conflict with the B.N.A. Act and would have to be closed, it is contended.

As Others See Us . . . . .

"To Hell With Great Britain"
Moncton Times

The extent to which some American writers go toward defaming the British Empire, not an unusual pastime with many contributors to periodicals "across the line," is drawn attention to by The Financial Post which cites that a bitter attack upon Great Britain appeared in the last edition of Liberty magazine, published by Bernarr H. MacFadden, once a "physical culturist," now a publisher with a flare for text-and-picture sex and crime stuff.

Titled Canadians
Fort William Times-Journal

The Financial Post, of Toronto, a fairly hard-boiled financial paper, and one not given to overmuch sentiment, comes out in defense of the practice of rewarding Canadians, whose service to their country has been outstanding, by giving them certain titles, which distinguish them from the rest of the world and show that distinction when they are addressed.

In quoting the article from The Financial Post, we do so because it harmonizes with sentiments that we have formerly expressed, that there are services to the country and humanity which cannot be adequately rewarded by money grants and for which the man who renders them does not wish to accept money. But a title that marks him as one who has deserved well of his fellows is the best answer to the question as to what shall be done to the man whom the king delighteth to honor. We were genuinely delighted when the cloud over titles was lifted for long enough to permit the discoverer of insulin to become Sir Frederick Banting.

Credit to Canada
Renfrew Mercury

Issue of The Financial Post of Feb. 27 was one of 48 pages, a credit to The Post and to Canada. Something of the wonders of this country is pictured. Oils and base metals are dealt with mainly, all in an interesting way, and there is a promise of future issues of the same character. One reason for the big issue of the 27th ult. was the huge rearmament programme formulated by the British Government; another was the trade treaty now put into effect between Canada and the Mother Country. The extensive resources of the Dominion are revealed in this issue, together with much information respecting progress so far made in the way of development in the various provinces. Number of subjects dealt with are many, meaning the employment of not a few special writers.

Horizon Brighter
Medicine Hat News

The attitude of The News differs considerably from that taken by the major portion of the press of Alberta, inasmuch as though it stands shoulder to shoulder with the belief of this major portion that a Social Credit policy for Alberta is impracticable, yet it has always held that the mandate of the people should be obeyed and an effort made to give effect to the programme outlined by Mr. Aberhart in his election campaign.

Other policies which have had nothing at all to do with Social Credit have been tried out and have proved failures. However, as pointed out in Friday's issue of The News, an opening appears now for Alberta credit to be restored, through the good offices of the Liberal administration at Ottawa and prospects for the future have brightened considerably.

This view of the situation is also taken by The Financial Post.

New Books . . .

Rhodes's Northern Trek

RHODES GOES NORTH. By J. E. S. Green. Published by Oxford University Press, Toronto. Price $3.75.

A Canadian who worked with Rhodes remarked the other day, "He was the greatest man of his day." There was something about the great builder of South Africa that inspired those who worked for him to look upon him as one of the most splendid of the gods.

Rhodes died young; before his work was half completed. No one will ever be able to say what Rhodes might have done had he lived out his full three score years and ten. He might even have lived to the present day, for there are men of vigor and action at work today who were born before Rhodes was born. Possibly Rhodes's later years would have been years of disappointment as the practical effort of nation-building, of consolidating territorial and corporate gains took the place of unrelenting pressure for growth and for widening horizons.

The other day the annual meeting of his "chartered company" took place in London. The chairman found himself forced to plead for sympathetic understanding from the people of the Rhodesias, asking them not to begrudge the company some small return now after many years of weary waiting. "Many of the original subscribers," he said, "were as much attracted by the romantic prospect of becoming Empire builders as by the prospect of dividends." He could have cited Mr. Green's new history as the evidence.

"Rhodes Goes North" tells in greater detail of those years of Rhodes's life and work that have left the greatest imprint upon the map of the world; the conquest of Mashonaland and Matabeleland. It reveals how Rhodes finally achieved his overwhelming passion: opening the northern gateways. Rhodes himself, Kruger, Lobengula, Dr. Jameson, the Imperial Government, the native tribes, the English in the Cape and the Boers in the Transvaal are the actors in the drama. But always Rhodes dominates the scene.

Although based upon a meticulously careful study of the documents and other original sources, most of them in South Africa, Mr. Green's story is fully flavored with the romance that befits his subject. The narrative is one replete with conversation and incident. Throughout it all Rhodes towers high as a man of fixed purpose and great resource, struggling against death itself to achieve, before it was too late, the conquests that to him were vital to the very existence of the Empire.

Clearly limned is the essential nobility of character of the man who sought and used money as a means to an end; who was able to say, in effect, "What is the use of having big ideas if you haven't the money to carry them out?"

Post-Scripts

A Great Building

HAVING looked over the magnificent but functionally practical new home of the Toronto Stock Exchange, we hardly know what feature of it to admire the most. The quotation arrangements are a miracle of electrical engineering, but the young man who supervised the installation is already saying that he wished he could start from scratch to do the job all over again, because he learned so much while putting in the equipment.

The stone frieze on the front of the building is a striking piece of modern art. Already the artists of Toronto are arguing about it. Some wonder why all the figures are facing south. They ought to be facing north, some artists argue, because it is natural for people to read from left to right and it is hard for them to look at a row of carved images if they have to start at the right and let their eyes proceed to the left. One artist told us, though, that the 99 out of 100 designers would have put in the figures exactly as they are now. He explained that architects' and artists' studios have north windows; that the convenient way to work is to have the light coming from the left; that whenever a portrait or face is done in profile it always looks to the left so that the light will fall on the face of the subject; that probably the draftsman who did the first sketch of the frieze was working the convenient or "academic" way and never thought about the poor Mr. John Q. Public who now has to start at the right and follow the frieze over to the left.

A detail that caught our fancy was the homespun on the walls of the members' dining room. It was woven by hand, especially for the building, by an old-time weaver in Toronto. Another detail is three rows of wavy lines in one of the decorations carved in the linoleum on the floor of that room. We always thought that wavy lines were the classical motif for water. We hope that the architects were not doing what architects so often do—taking a sly little dig at their clients.

The members' lounge is an attractive, comfortable room. The attorneys who do most of the trading have a less pretentious room to read and play checkers in. It looks as though the Exchange is trying to induce more of the members to come out and do their own trading instead of leaving it to attorneys on the floor.

The huge trading room might have been a barn of a place, so vast are its proportions. But the designers have been most clever in their treatment of it and the result is an atmosphere of dignity, serenity and nobility.

We rushed down to the Exchange on Monday to make certain that the letters "N" in the name were correctly carved. At the banquet on Saturday night the Royal York Hotel had prepared an elaborate suet model of the frieze and in this decoration both "N's" had the diagonal line running in the wrong direction. We are happy to report that they are quite O. K. on the Exchange itself.

In the Mail

(Not over 200 words, please)

Wages and Prices

Editor, The Financial Post:

From your last issue, I quote a statement by the Honorable Norman Rogers, as follows:—

"Price competition is a basic essential of a competitive system. No government can or should attempt to decide what are likely to prove to be reasonable prices for commodities or services."

At the same time, most legislators now seem to be fully seized with the fact that they have capacity to determine what shall be the wages in cities, towns, villages and hamlets, for particular classes of employment, differing in skill, effort, etc. I wonder if our politicians do not understand that prices are based upon wages. If they attempt to fix one they are potentially dealing with the other.

INDUSTRIALIST,
Montreal.

Insurance Valuations

Editor, The Financial Post:

There has been some recent mention in your columns of the advantages in valuing insurance company bond holdings on an amortization basis. Expressed in simpler terms, some bonds at least are to be taken at book values, obtained by starting with their cost and writing them up or down each year at a rate which will make the book value equal at maturity to the par value.

This is just one of several principles on which valuations may be made. Another, which deserves attention because it comes from a country having a much longer history of successful management of insurance companies, was expressed at the last annual meeting of the United Kingdom Provident Institution in England. The chairman said that £600,000 of the appreciation disclosed by the triennial valuation of 1932, at market values, were used to increase the reserve fund substantially. After the 1935 valuation, a further £300,000 were added to reserve, all premiums on redeemable bonds were written off; and there was a substantial balance which was not brought into account. These practices are in refreshing contrast to valuations on superintendents' and pegged stock market prices.

In the present case, the premise that Canadian Government bonds would be paid at maturity might have been applied at one time to Chilean bonds. If those trustee securities known as bonds of the Province of Alberta are included, then more should be bought for the splendid capital appreciation and the opportunity of crediting each year's income with the due proportion thereof, though not actually collected in cash. Mention might be made of the advantage of not having to take up in any one or two years a possible drop in price of bonds purchased at the high prices of the last two years, and of the advantage that in some years the weaker companies can be made to appear stronger. Market prices are not always a correct representation of values, but they can give a hint that the purchaser paid too much, and some room should be left for reception of this suggestion. A company may at times be technically insolvent, but the public knows very well that it will be solvent again if the market goes up enough.

Truth is more likely to be attained, as Mr. C. B. Couchman said recently in Toronto, by careful consideration of the advantages and disadvantages of all alternative lines of action than by the ecstatic contemplation of the reasons favoring only one of them. The old struggle of liberal and conservative goes on in accounting as in politics, but the dangers of conservatism are so much less for insurance companies and the public that the matter might well be approached more from this point of view.

J. B. MACPHAIL,
Montreal.

Public Relations

By W. J. CAMERON
of The Ford Motor Company.

Businessmen and students frequently ask us questions concerning the technique of "public relations." This is a professional term used to describe publicity efforts by corporations to suggest or inspire favorable views concerning themselves. These efforts, directed by "public relations counsel," became conspicuous in this country about 30 years ago when a large corporation, finding itself the object of public suspicion and dislike, set out to give what it considered to be a more factual view of its character and operations. But the method is no longer exclusively used to propagate favorable views of corporations; it has been used by congressional investigating committees and other political powers to suggest or inspire unfavorable views concerning corporations. It is used also by labor unions and religious bodies and racial groups and various professions and even by governments for their purposes. At its worst it is sheer special pleading; at its best it gives the people facts that otherwise might be concealed or misstated by prejudice or misinformation.

The best possible public relations counsel any business can have is the head of the business who is determined that right principles shall run through every relation of the business—right principles in dealing with materials; right principles in dealing with money; right and increasingly equitable principles in dealing with men. Then the public will tell your story. And it is wonderful, in a tangled situation where values are mixed and where the pull of conflicting sympathies is strong—it is wonderful how clearly the public does eventually discover the right.

Stop Me If You've Heard This One . .

A mayor of one of the large cities across the border received a letter from a man in a nearby town, which read:

"Dear Sir: I got paper which says that Mrs. Ruby Gofrey is going tew git a devorse. She is my wife. Leave her have it, I don't want her no more.

(Signed) Jim Gofrey.

"P. S. Yew can have the one I got now tew if you want her."

Week in Business

More Industries Join In Canadian Recovery

Newsprint and Wheat Rise This Week Indicate Better Times for Large Block of Population — Packers Raise Wages

Canadian recovery is broadening with a steadily growing list of industries participating. The boost in newsprint prices announced this week for shipments next year should bring better times to a large block of population particularly that portion living along the fringe of the forested area of eastern Canada and in British Columbia. It puts new life into the country's second largest exporter. It will bring spending power in the pulp and paper towns more into line with those of the mining areas.

* * * *

Farm Prices Strong

This week, too, brings indication of further recovery in another major Canadian industry—agriculture. Wheat prices have reached a seven-year high, and firmness is reported for most other lines of farm produce. True much farming country is still without any benefit of recovery because in the last few years no crops have been produced to sell at the rising price levels. Given a continuance of anything like these present price levels, however, with one good crop throughout Canada this summer, and the population even in former dry areas will be transferred immediately from dole recipients to tax payers.

* * * *

Packers Raise Wages

Canadian purchasing power continues to be bolstered by major pay increases. In practically all large packing plants in the last few weeks wages have been substantially increased. Most of Canada's 40 odd commercial packing plants have been issuing better annual reports in the last two years and there has been a steadily expanding export of bacon to Great Britain.

* * * *

Will They Enforce Minimum Wages?

Canadian business is still watching the development of minimum wage bills in the Ontario and Quebec Provincial Legislatures and apparently this watch will have to continue for an extended period before an accurate appraisal of results is possible. In both measures much is left to the actual administrators.

Whether the new legislation will be practical or a serious handicap to genuine business will largely depend on the rates of wages fixed. This important matter will be left in the hands of the boards or tribunals which will be in charge of administration.

But even after the rates are fixed the period of watchful waiting will not have passed until the Government in each case demonstrates whether it intends to force observance. On this point and this alone will depend whether the Quebec and Ontario manufacturers are to compete on an even keel. Even assuming that the two provinces fix uniform rates, such would be a mere empty gesture if the administration of the law was lax in one province and strict in another.

Favorable

Weekly carloadings and C. N. R. gross earnings show comfortable advances. The Financial Post index for February is up 10 points over same month a year ago. February also witnessed sharp gains in iron and steel production and a very heavy increase in Canadian trade both ways.

* * * *

Unfavorable

C. P. R. weekly gross earnings down slightly. Auto exports for February below those of same month a year ago.

Business Indicators as Compiled by The Financial Post

▴Denotes new figures this week.

	WEEKLY DATA — Latest — 1937	1936	Cumulative Total — Jan. 1 to date — 1937	1936
Transportation—				
Car loadings (Mar. 13)	▴47,534	45,410	466,098	412,327
C.N.R. gross earn. (Mar. 14)	$ ▴3,639,703	$ 3,370,391	$ 35,830,436	$ 33,370,432
C.P.R. gross earn. (Mar. 14)	$ ▴2,523,000	$ 2,641,000	$ 25,254,000	$ 23,657,000
Business Conditions—				
Financial Post index (Feb.)	▴117.6	106.9	......	......
MONTHLY DATA				
Business Conditions—				
Financial Post index (Jan.)	113.7	108.1	......	......
Transportation—				
C.P.R. net revenue (Jan.)	$ 913,509	$ 612,572	......	......
C.N.R. net revenue (Jan.)	$ 83,223	$ ‡576,330	......	......
Iron and Steel (Feb.)—				
Pig iron production (tons)	▴61,995	55,751	128,395	117,087
Steel ingots and castings prod. (tons)	▴115,759	93,365	230,996	193,590
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Jan.)	8,522	4,747	......	......
Factory output (Jan.)	15,009	11,261	......	......
Trucks and Buses:				
Domestic sales* (Jan.)	1,677	869	......	......
Factory output (Jan.)	4,574	2,041	......	......
Exports (Feb.)	▴4,436	4,583	9,750	11,205
Construction—				
Building permits (Feb.)	$ ▴2,120,111	$ 1,921,176	$ 3,815,613	$ 3,223,934
Contracts awarded (Feb.)	$ 8,728,800	$ 8,227,700	$ 15,351,000	$ 21,838,100
Newsprint (tons)—				
Production (Feb.)	275,532	221,569	563,223	449,524
Exports, tons (Jan.)	259,543	184,883	......	......
Sugar (lb.)—				
Melting & sales§ (raw)	22,026,102	20,434,690	43,699,603	41,489,975
Manufactured§	20,934,196	20,769,861	42,886,466	44,814,535
Flour (bbls.)—				
Production (Jan.)	1,008,630	981,988	......	......
Wheat flour exports (Feb.)	347,884	340,102	661,807	654,413
Trade—				
Retail trade (index no. of sales) (January)	75.5	69.4	......	......
Imports (February)	$ ▴43,680,884	$ 41,597,398	$ 100,563,502	$ 82,187,674
Exports (February)	$ ▴75,691,324	$ 62,797,690	$ 159,107,448	$ 127,542,014
Wheat exports (bus. (Feb.)	5,362,031	14,241,169	15,151,058	21,798,489
Employment D.B.S. Index (Feb. 1)—				
All industries	104.1	98.4	......	......
Manufacturing	105.3	98.5	......	......
Electric Power Output (Jan.)—				
Total monthly m.k.h. (000's omitted)	2,319,158	2,091,041	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports M bd. ft. (January)	156,913	72,236	......	......
Boot & shoe prod., pr. (Jan.)	1,482,017	1,513,959	......	......
Crude petrol., imp. gal. (Jan.)	54,639,651	61,131,349	......	......
Cotton imports, lb. (Jan.)	15,189,187	19,939,607	......	......
Raw rubber imp., lb. (Jan.)	3,656,423	3,938,272	......	......
Coal imports, tons (Jan.)	574,877	452,678	......	......
Cigarette cons., (Feb.) No.†	▴418,344	357,943	865,511	674,477
Finance—				
Bank debits (Jan.)†	$ 3,227,355	$ 2,992,068	......	......
Bond sales (Feb.)	$ 98,524,192	$ 138,788,775	$ 305,795,692	$ 289,445,889
Life insurance sales (Jan.)	$ 28,764,000	$ 34,221,000	......	......
Automobile Financing (Jan.)—				
Used cars	$ 1,421,014	$ 1,016,336	......	......
New cars	$ 1,848,131	$ 1,054,002	......	......

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to Feb. 27. ‡Deficit.

Asbestos Corp. Raises Wages of Mine Workers

From Our Own Correspondent

MONTREAL.—Asbestos Corp. and Canadian Johns-Manville Co. announce wage increases for Quebec employees.

Asbestos Corp. employees in the five asbestos workings at Thetford Mines will receive an increase in the basic hourly wage on a scale from 28 to 33½ cents.

Dominion Textile Co. Labor Trouble Ended

From Our Own Correspondent

MONTREAL.—Labor troubles at the Sherbrooke plant of the Dominion Textile Co. have been settled and operations have been resumed.

Wage increases and working conditions featured the basis of the discussion between the company and employees and a satisfactory compromise was reached.

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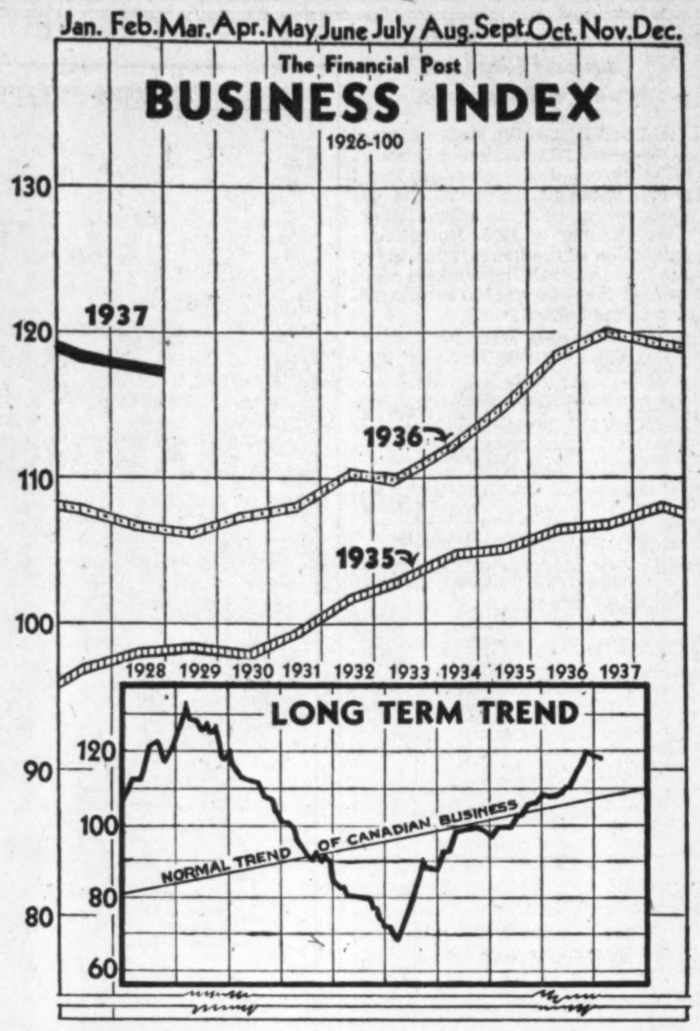

MILD RECESSION

While business operations were at a relatively high level in February, a slight decline was shown from the preceding month. The recession in the external trade even after seasonal adjustment was one feature in this showing. Mineral production showed improvement, nickel, copper, gold and silver shipments all being higher. A marked increase in exports of canned salmon and in hog slaughterings boosted food indices. Imports of raw textiles for further manufacture were in the limelight and the production of newsprint was an outstanding feature of the month.

Background of Business

Serious Steel Shortage Worries Manufacturers

No Prospect of Prompt Delivery — Seek Wider Potato Market — Snags in Trade With Germany

Who is going to fill the rush of steel orders this season?

Big steel mills in both United States and Canada, countries to which the Canadian consumer looked for emergency supplies in any similar situation in the past are already rejecting export orders right and left. They cannot guarantee anything like prompt delivery to their own domestic customers. Already a similar situation is developing in Canada with a near crisis reported in "sheets" last week. These the basic material used in all sorts of roofing, siding, fireproof doors and general sheet metal work, it is said cannot be obtained for delivery before six weeks to three months.

Remembering various war-time experiences when rapidly expanded plants found markets suddenly disappear with the termination of hostilities, steel companies in Great Britain and United States are loath to expand beyond present facilities. The present demand boom, it is believed, is based on a temporary need for armament supplies. It is considered probable, however, that employees will be asked to work more than the usual 40-hour week, in return for high overtime pay.

A world shortage of raw material for the steel mills has further aggravated the situation. Higher prices and slower delivery would seem certain for some time to come.

* * *

Wider Potato Market

Potato growers of New Brunswick have asked the Fredericton provincial authorities to make strong efforts to get a restoration of the former important trade between Canada and Cuba. A new trade agreement between United States and Cuba saw most of this lucrative Cuban potato import switched from eastern Canada to United States.

Fortunately for the New Brunswicker in the last year a very considerable market was opened in United States for Canadian seed potatoes as a result of the U. S. trade agreement and some further extension in this market is expected. There has also been a considerable shipment of seed potatoes from Canada to the Argentine and more is also expected of this new outlet. Higher prices in the last two years also have greatly offset the loss of the Cuban market.

* * *

N. B. Liquor Sales

Sales by the New Brunswick Liquor Control Board showed an increase of approximately 15% during the last fiscal year. This increase which applied to beer, spirits and alcohol but not wines, was made in the face of the Board absorbing an increase of 2% in the sales tax last year. Total sales amounted to almost $2.7 millions as compared with slightly under $2.4 millions in the previous year.

* * *

German Trade

The special arrangements made with Germany last fall whereby imports from this country were to be facilitated through the allocation of certain definite sums of money and the issuance of exchange certificates by the German Government to Reich importers, does not seem to be working out very well. The Financial Post understands that German importers, while showing a willingness to take Canadian goods, have been refused certificates in many cases. Canadian wheat seems to have been shipped to Germany in fairly large quantities and also some other food products and metals, but in many other lines the German Government, apparently, has decided to refuse the certificates.

Moreover the recent death of the senior German consul in Ottawa the other day may seriously delay any negotiations necessary to eliminate the present obstacles in German-Canadian trade.

* * *

Higher Hotel Rates

Higher hotel rates were advocated at the recent annual convention of the Hotel Association of Ontario. It was argued that present rates are the same as those prevailing three or four years ago, although costs of food, wages, linen and other supplies have risen almost 40%. Failure of many hotels to pay bond interest on their indebtedness was blamed on these increased costs It was suggested that rates be increased and that the actual revision vary with local conditions and be up to the individual hotel managers themselves rather than the association.

* * *

Sunday Sale

Toronto retail druggists appear to be up against a periodic wave of interference with Sunday sales. Recently police have checked up on many stores. At a recent meeting of the Toronto Druggists Association, according to Drug Merchandising, delegates claimed that this recent persecution was instigated by the Retail Tobacconist's Association. They also claim that if they refuse to sell such conveniences as cigarettes and chocolate bars on Sundays their customers will be antagonized. Druggists expressed the belief that they were entitled to the profit of any Sunday sale of such commodities in return for the service they were doing the public in remaining open. A similar drive in Winnipeg some time ago, it is stated, resulted in a great deal of publicity and opposition on the part of the public and the final outcome was official permission for free sale on the Sabbath.

Flooding Claims

MONTREAL.—Quebec Public Service Commission has taken under advisement three damage cases against Montreal Island Power Co. for alleged flooding of properties. Two other similar cases were settled out of court and one was entirely withdrawn.

Mersey Paper Plan Approved

Arrears of Dividends on Preferred Eliminated by Scheme

From Our Own Correspondent

MONTREAL.—A recapitalization plan has been approved by the shareholders of Mersey Paper Co.

Under the scheme, the preferred shareholders will give up rights to arrears of dividends amounting to more than 40% and will accept a reduction in the rate of dividends from 6½% to 5½%, the new rate to accrue from July 1, 1938.

In return, the common shareholders have relinquished one-half of their holdings, which will be divided among preferred shareholders in the ratio of one and a half shares of common stock for each share of preferred stock held.

Over 93% of the holders of both classes of stock voted approval of the plan.

The next move will be an application to the court for an order finally sanctioning the scheme.

Churchill Power Expanding

The Churchill River Power Co. is installing an additional 19,500 h.p. unit at its Island Falls plant in Saskatchewan.

The beaver builds *above* the flood line

A beaver colony, by instinct and experience, builds its home so that the sleeping quarters are clear of any sudden rise of waters.

The beaver never relies on anyone's gossip. He examines the river banks and notes the history of water levels. Only after he knows the safety factor does he start to place his sticks and plaster.

Financial investors have to face the same hazard of a "flood line"; and its presence or absence may be quickly determined before making commitments.

No grown-up beaver acts on a Hunch, but thousands of 'securities buyers' treat pre-vision and pre-caution as non-essentials.

Knowledge and commonsense should be the advance guards of every investment programme. We invite you to make full and free use of our facilities for accurate analysis and to regard our staff as genuinely interested in your financial advancement.

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Quarterly Review of Canadian Business

A summary of Canadian business for the first quarter of 1937.

April Bond Letter

Comments on the security markets together with a list of offerings.

Copies of the above will be mailed upon request.

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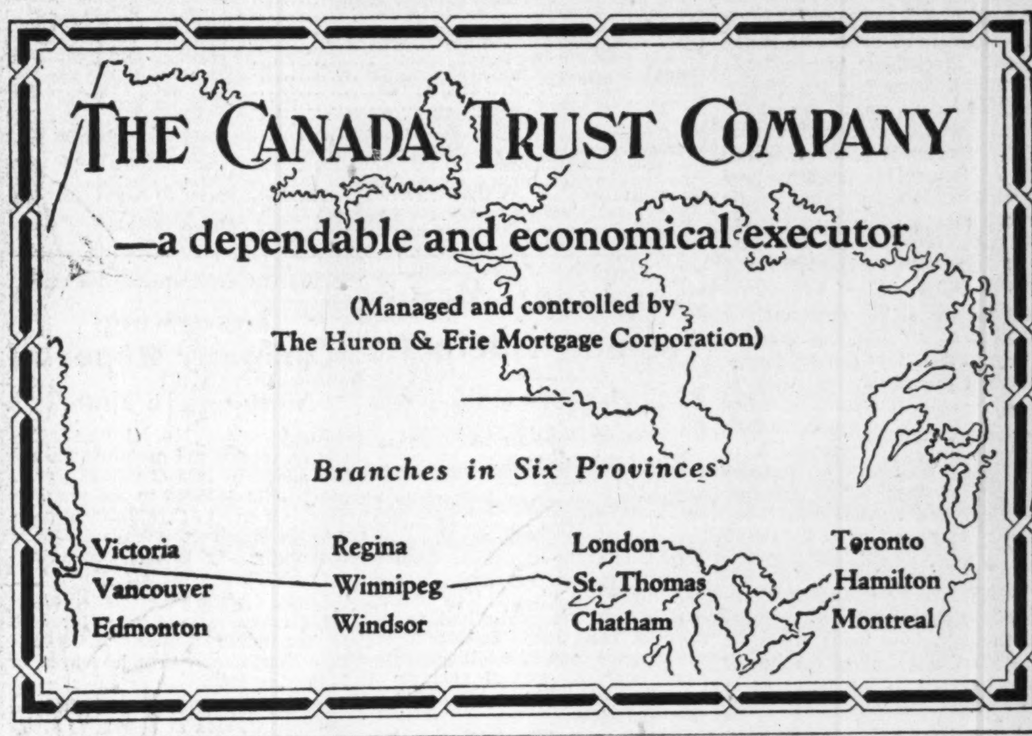
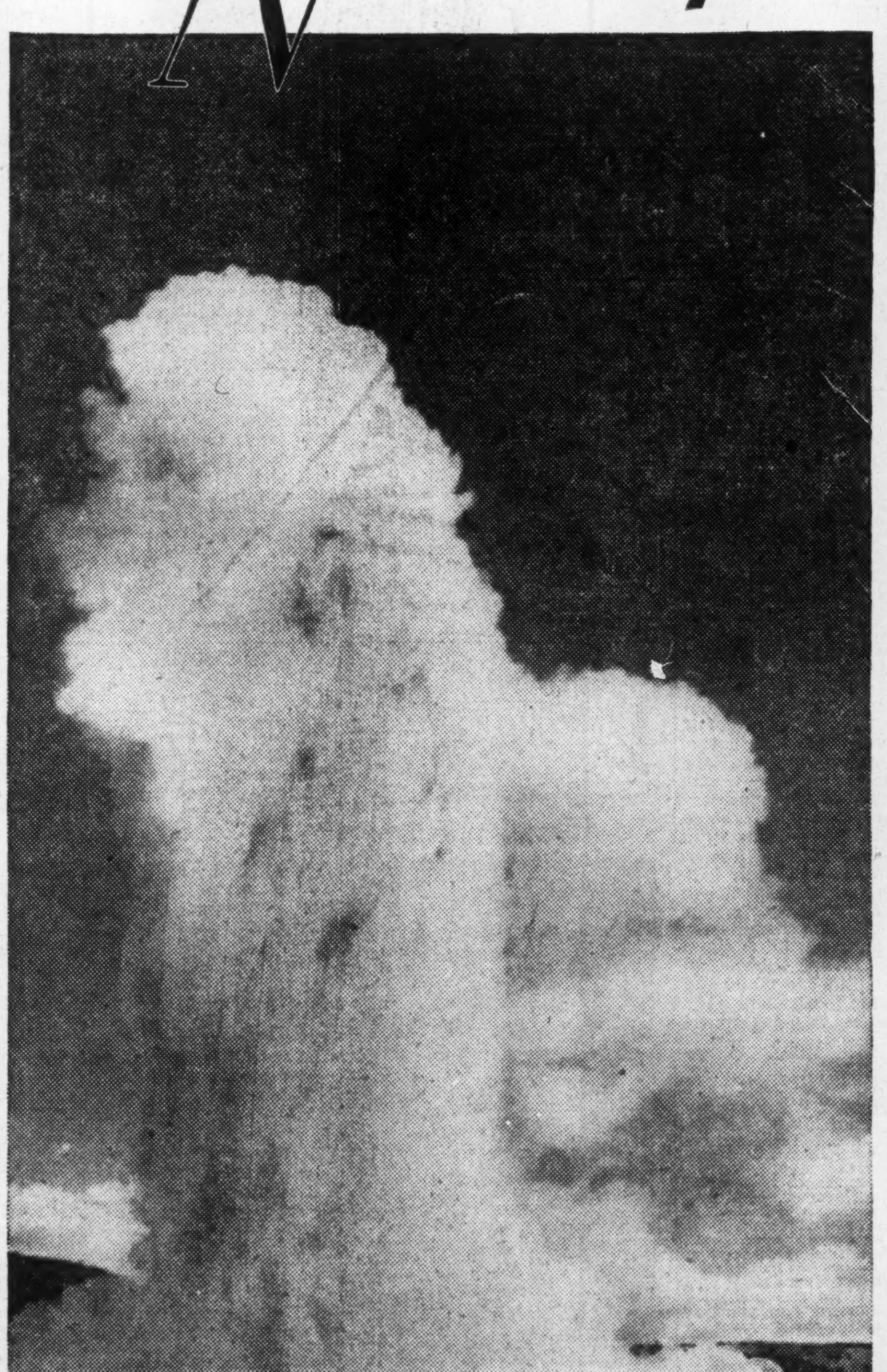


"Non-stop" incomes...



At regular intervals of about an hour "Old Faithful", world-famous geyser in Yellowstone National Park, sends forth its giant eruptions of boiling water and steam.

The regularity with which thousands of men, women, and children receive life insurance income checks each month may be compared with the certainty of "Old Faithful's" eruptions.

You, too, can arrange to have your hard-earned and harder-saved dollars provide a regular income for your wife and children should anything happen to you. You can also plan for your own future security should you live to retirement age, as you probably will. A Life Insurance Program is the modern way and, for many men, the only way to assure themselves that these ends will be accomplished.

A "non-stop" income may be included in *your* Life Insurance Program. Ask a Metropolitan Field-Man to help you prepare a Program which will be adjusted to your present income and the future requirements of yourself and your family. Telephone the nearest Metropolitan office and ask him to call—or mail the coupon.

The Metropolitan issues life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies.

The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.

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FREDERICK H. ECKER, *Chairman of the Board* — SERVING CANADA SINCE 1872 — LEROY A. LINCOLN, *President*

Bank Chat

More Taxation

LAST week it was Alberta. This week it is Montreal. Apparently everyone believes the banks have plenty of money, and that it can be extracted without drastic after effects.

Bankers are quite disturbed about the Montreal tax proposal. If it is passed by the city council and later by the Provincial Government, the result will be a tax of $5,000 on each main banking office in the city and $1,000 levy on every branch. As all 10 chartered banks maintain main offices in the city, $50,000 will be collected right off the bat. And there are, in addition, almost 190 branches in the city, each of which would be liable to an assessment of $1,000. It is also likely that the proposal would extend to the Montreal City and District Savings Bank which has a main office and 23 branches in Montreal. The situation in respect to the Caisses Populaires, the people's savings banks, is not clear.

* * *

Present Montreal Taxes

AT THE present time, in addition to federal and provincial levies, the banks are subject to four taxes in Montreal. There is a tax of $100 on each branch; a special tax on the bank as a whole, ranging from $400 to $600 according to paid up capital; a tax on immovable property; and the usual business tax. Thus, if the new schemes wiggle through the authorities, taxation on the first two of these will be boosted about 900%.

Bankers are giving the matter a good deal of thought, but there is not a great deal that can be done—other than presenting their side of the story—until it is seen whether the measures are approved. If they are, about the only recourse is to close some branches, and, in conversation, bankers have indicated that this would probably be done.

* * *

Money Turnover

WHAT is the velocity of circulation of money? Or, in everyday language, how many times in, say, a year, will a given amount of money be used in the purchase of goods?

This was the problem confronting the Dominion Bureau of Statistics recently, when it prepared a practical analysis of the famed quantity theory of money. The first step is to divide the problem into two parts: One dealing with cash; the other with bank money, or deposits.

To find the rate of turnover of bank deposits was relatively simple. Bank debits from 32 clearing centres are reported monthly, indicating the volume of transactions by cheque in those districts. By experience it has been found that the volume of business transacted outside the clearing centres amounts to an additional 12½%. The grand total of bank debits, when divided by the volume of bank deposits, gives an answer for 1936 of 18.26. This rate of turnover is almost 1¼ times more than in 1935 but still well below the level of immediate pre-depression years.

The number of times actual cash is used presented a more ticklish problem. There are no statistics showing the amount of cash paid into the banks during any given period, and the solution admittedly must involve a margin of error. Following the United States experience the Bureau has regarded the turnover of cash as 16.5% greater than that of bank deposits. Thus, it is probable that the dollar bill you received at the beginning of this year was used in 21 transactions in 1936.

* * *

Profits Progress

MOSTLY as a result of general improvement in business and financial conditions," member banks of the Federal Reserve System in the United States more than doubled 1935 profits last year. Estimated profits for the year are placed at $448 millions by the Federal Reserve Bulletin, as against $212 millions in the previous year.

As in Canada, a major factor in improved earnings was substantially fewer losses and depreciation charges combined with a marked increase in recoveries and in profits on securities sold. In fact, earnings from current operations were slightly less than in 1935, reflecting the continued low level of interest rates.

The Bulletin points out that in 1932, '33 and '34, American banks showed deficits owing to charging off large losses on loans and investments. In 1935, restoration of profits reflected a decline in losses and depreciation charges to the smallest amounts in five years and some rise in recoveries and profits on securities sold. In the first half of last year, the latter items exceeded losses and depreciation "for the first time in many years."

English Loan Figures Vary Widely from 1929

Industrial loans account for less than 30% of English bank borrowings, according to a summary of advances made by the London clearing banks. A further 30% represents "other" advances, with the balance spread over various trades, financial institutions and local governments.

Classification of the loans was published recently by the Bank of England statistical summary showing the totals as at Oct. 31, 1936, the same date as the Canadian figures are compiled. These appeared in The Financial Post last week.

Comparison with the last classification made seven years ago, shows that a total decline of 12% marks very substantial changes in individual items. Loans to textile manufacturers and to mining organizations are very sharply lower, due in large part, it is believed, to depressed conditions in the cotton and coal mining industries, and to lower prices. The latter factor is held largely responsible for a 54% reduction in loans to those dealing in food, drink and tobacco.

Building Trades Active

On the other hand, pronounced activity in the building trades is reflected in an increase of 29% in bank borrowings. Loans to clubs, churches, etc., are also much higher but for altogether different reasons. It is probable that the change here indicates that it has been more difficult to raise money by public subscription.

Largest single classification is that of "other" advances. If a survey of this type of loans made by Barclays Bank and republished in The Financial Post earlier this year may be considered representative, these are loans mainly to professional and businessmen, and those for the purpose of purchasing real estate.

The English classification, showing the percentage change from the 1929 figures, is as follows:

LONDON CLEARING BANKS
Classification of Advances

	Amount £	Percent of Total	Change from 1929-30 %
Textiles	39,929,997	4.6	—51
Heavy industries (iron, steel, engineering, etc.)	40,681,469	4.7	—37
Agriculture & fishing	57,657,404	6.6	—16
Mining & quarrying (including coal)	18,091,024	2.1	—40
Food, drink & tobacco	29,403,403	3.4	—54
Leather, rubber & chemicals	12,593,550	1.4	—45
Shipping & transport (including railways)	23,167,305	2.6	— 8
Building trades	61,547,687	7.1	+29
Miscellaneous trades	67,367,142	7.8	—13 (Miscellaneous and Retail trades together)
Retail trades	60,060,190	6.9	
Local governments & public utilities (excl. railways)	50,397,983	5.8	— 4
Amusements, churches etc.	40,459,790	4.7	+53
Financial (including banks & building societies)	109,554,025	12.6	—23
Other advances	258,542,153	29.7	+19
Total	869,453,122	32.5	—12

Supply of Money Termed Adequate

Bank Deposits Only 4½% Below Peak, Biggar Says

There is no general shortage of money in Canada, F. C. Biggar, secretary of the Canadian Bank of Commerce, told the Canadian Club of Shawinigan Falls last week. Mr. Biggar illustrated his point by stating that in 1936 the public had, in the form of bank notes and bank deposits more than $2.4 billions, compared with an annual average of less than $2.2 billions from 1917 to 1936 inclusive.

Further, the 1936 total was less than 4½% under the all-time peak reached in 1929. This difference was more than offset he pointed out by the reduction in retail prices to a point where $1 now bought goods which cost $1.23 seven years ago.

The bulk of purchasing power represented by bank deposits, Mr. Biggar stated, was not concentrated in the hands of a very few wealthy individuals. More than half of all deposits in the chartered banks—$1,140 millions—was in accounts amounting to $5,000 or less. And of the remainder more than half was held in the names, not of individuals, but of corporations.

Money Circulation

Some people believed, Mr. Biggar said, that banks put money into circulation only when they lent it to borrowers, and that they supplied most of the requirements of the community. On these assumptions they argued that banks, by requiring payment of interest on loans, withdrew from circulation more money than they issued. He pointed out, however, that lending was not the only way in which banks put money into circulation. Virtually every dollar they received, whether as interest on loans or in any other way, was paid out in the form of salaries, interest to depositors, taxes, maintenance of buildings, supplies and dividends to shareholders. It was not the money supply but the price set by the market on the borrower's product which either did or did not allow him to realize a profit over all his costs.

Mr. Biggar did not suggest that the supply of money had no bearing on price, but he did oppose the view that in exact regulation of that supply lay the whole secret of sustained prosperity. Such a claim, he believed, ignored very important nonmonetary factors, particularly high tariffs. Even from the purely monetary angle, he stated, this view ignored the turnover of money supply. In 1936, this was only 18 times a year, as compared with 23 times in 1929. This was a factor, he pointed out, entirely under the control of the owner of the money and quite beyond that of bankers or the Government. Experience had shown that the effect of additions to the supply of money was incalculable. In some circumstances they might have little effect on price.

Branch Appointments Are Made by Sun Life

Important managerial changes have been announced by the Sun Life Assurance Co. as follows:

W. S. Sutherland, branch manager at St. Louis, to be manager at Sherbrooke, Que., succeeding the late E. E. Codere.

H. L. Cantalon, formerly manager at Indianapolis, to be manager at St. Louis.

W. H. Atteberry, formerly manager at Evansville, to be manager at Indianapolis.

W. C. James, formerly manager at Wilmington, to be manager at Reading.

L. E. Malone, formerly assistant manager at Cleveland, to be manager at Wilmington.

O. W. Gross, formerly acting branch manager at Spokane, to be manager in that territory.

Insurance Company Reports

Northwestern Mutual

Northwestern Mutual Fire Association reports net premium income in Canada in 1936 of $658,631, compared with $626,586 in the previous year. Of the total, $597,000 represents fire business, with automobile accounting for $60,608 of the remainder.

Losses for the year totalled $145,139, giving a ratio of losses incurred to premiums written of 22.04%. This compares with a loss ratio of 34.15% in 1935.

At the end of 1936, net admitted assets in Canada amounted to $766,959. Deposit with the receiver-general is maintained at $446,470. These figures are taking securities at book values. If market valuations are used, admitted assets are $862,209, the deposit $541,719, and surplus would be carried at $497,834.

Hardware Mutuals

Feature of the 1936 reports of the three companies comprising the Federal Hardware & Implement Mutuals is an increase in total assets and policyholders surplus.

Assets of the Hardware Mutual Fire Insurance Co. advanced by almost $1.2 million to $8.2 millions, those of Hardware Dealers Mutual Fire Insurance Co. by more than $700,000 to $6.7 millions, and those of the Minnesota Implement Mutual Fire Insurance Co. by $500,000 to $6.1 millions. Surplus of the three companies now amounts to $3.2 millions, $2.9 millions and $1.7 million, respectively. Most of the improvement reflects higher values of security holdings.

Dividends paid by the companies since organization are well over $61 millions.

Net premiums written in Canada last year were $674,100, very little changed from the previous year. Loss experience was considerably more favorable, the ratio of net losses incurred to net premiums written being 25.36% compared with 46% in 1935.

C.P.R. Position Is Improved; Earnings Rise

Major Changes Few But General Status Is Better

BUILD UP RESERVES

From Our Own Correspondent

MONTREAL.—Further improvement in the financial position and earnings is reported by the Canadian Pacific Railway in a pamphlet report covering operations during 1936. Gross income amounted to $138.5 millions and other income $10.2 millions. After expenses and fixed charges, there was a net profit of $6 millions. In the previous year, gross income totalled about $130 millions; other income over $8.1 millions and a balance of $2.8 millions transferred to profit and loss account. Particulars of the income account have been reported previously.

The financial position of the company at the end of last year reflects a general improvement. There was no change in outstanding capital stock or the net balance of the 4% consolidated debenture stock. Bonds and equipment obligations increased during the year from $179.8 millions to $186.2 millions. This represents the balance of financing undertaken to eliminate the obligation to the banks on short-term loans; the increase in capital expenditures on account of equipment.

There was a further decline in the 4½% secured note certificates of 1944, the amount outstanding now totalling $20.2 millions as against $20.5 millions at the end of 1935.

Set up Hotel Reserve

Several interesting changes are noted among reserves. For the first time the company has set up a reserve of $2.9 millions against hotels. Hitherto the cost of renewals and replacements of hotels has been charged to expense, no provision having been made for obsolescence.

The investment reserve was increased during the year from $16 millions to over $19.6 millions. The difference represents advances made to the Soo line during the year to make up the dificiencies in the amount which the latter had available to meet interest obligations guaranteed by the C.P.R.

In this connection, the report points out that the C.P.R. advanced $576,062 to redeem the balance of notes issued by the Railroad Credit Corp. in 1932, guaranteed as to principal and interest by the company.

Property Account Higher

Property investment shows an increase of about $7 millions during the year, while advances to controlled and other companies increased from about $18.8 millions to over $23 millions.

Cash position of the company shows marked improvement during the year, increasing from $17.3 millions to $23.6 millions.

Features of Report

Some of the features of the 1936 report follow:

Gross earnings increased by more than $8.8 millions, or 6.9%.

Passenger earnings increased $509,708, or 3.4%.

Freight earnings increased $7.6 millions, or 7.8%.

Working expenses increased by nearly $8 millions, or 7.4%. More than one-half of the increase was in maintenance expenses, which were 10.4% higher than for 1935.

More From Smelters

Cash dividends received from Consolidated Mining and Smelting Co. of Canada amounted to $3,365,000, an increase of $1,177,750 over 1935.

Fixed charges were $246,639 less than in the previous year due to the retirement, from proceeds of a new bond issue, of the remainder of the 5-year notes held by the Canadian chartered banks.

Sales of agricultural land during the year amounted to 92,210 acres, for an average of $10.36 an acre, as contrasted with 124,354 acres, for an average of $9.79 an acre in 1935.

Lease London Hotel Site

Plans are under way for lease of the hotel site in Berkeley Square, London, for a period of 200 years, with a limited option to purchase the freehold at a price in excess of the cost of the property to the company.

Advances to the Soo Line during 1936, in respect to interest guarantees, cost the company $3,659,645. This is an improvement over 1935 when advances totalled $4.9 millions.

During the year the company increased its investment in the capital stock of Lethbridge Collieries from $680,000 to $880,000.

Changes in Investments

During 1936 the company acquired $500,000 of New Brunswick Southern Railway Co.'s mortgage bonds; $250,000 Northern Alberta Co. first mortgage bonds; $225,000 capital stock of Toronto Terminal Railways; and $126,533 of Atlantic North West Railway Co. bonds. Against this the company's holdings of nearly $2.4 millions of Alberta Railway and Irrigation Co. bonds were redeemed, as also were $146,000 of Atlantic and North Western Railway Co. first mortgage bonds and $240,000 equipment trust notes of Soo Line.

Fewer Shareholders

At the end of 1936, the C.P.R. had 68,665 ordinary shareholders, compared with 71,117 at the close of 1935. The principal change occurred in Canadian shareholders, the number dropping from 29,088 to 26,942. There was also a drop in the number of preference shareholders, the number at the end of 1936 being 27,656 as against 28,017 the year before.

Bank of Canada Weekly Statement

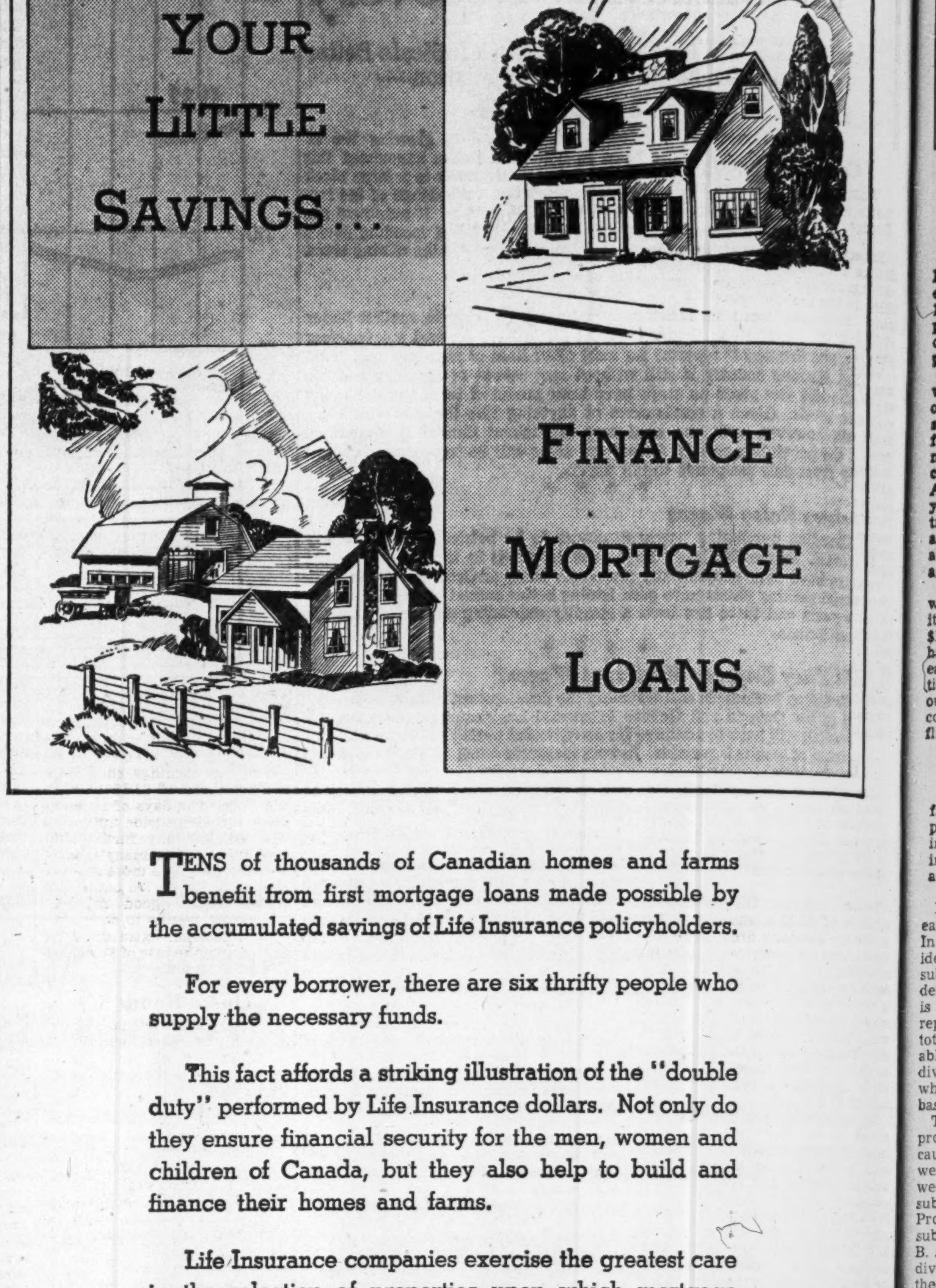
Gold holdings of the Bank of Canada advanced $3.6 millions to almost $183 millions in the week ended Mar. 17. This is the first material change in this item since revaluation of gold in the summer of 1935. No official explanation of the increase has been issued, and commercial bankers confess that they are unable to fathom the purpose behind it.

Balance Sheet

	Mar. 17 $	Mar. 10 $
Liabilities		
Capital paid-up	10,100,000	10,100,000
Notes in circ.	122,096,453	120,836,857
Rest fund	743,716	743,716
Dep.: Dominion	26,356,128	24,269,939
Banks	197,160,139	197,713,393
Other	1,641,887	1,963,309
Total deposits	225,158,154	223,946,642
All other liabs.	2,484,387	2,375,523
Total liabs.	360,582,711	358,002,738
Assets		
Reserve: Gold	182,974,313	179,392,212
Silver bullion	2,384,669	2,340,596
Res. in sterling and U. S.	17,747,989	17,538,635
Total reserve	203,106,972	199,271,443
Subsidiary coin	237,140	233,047
Investments:		
Dom. Govt. short	50,960,292	52,560,611
Other Dom. Govt.	101,503,030	101,820,120
Total invest.	152,463,323	154,380,731
Premises	364,096	364,097
All other assets	4,411,178	3,753,420
Total assets	360,582,711	358,002,738
Reserve ratio	58.48%	57.79%

Weekly Bank Clearings

	Mar. 18 1937 $	Change Year Ago %	Mar. 11 1937 $
Halifax	3,026,002	+46.3	2,439,249
Saint John	1,924,598	+13.2	1,807,243
Moncton	709,105	+14.5	596,159
Sherbrooke	540,957	+11.7	599,846
Quebec	4,580,663	+29.8	4,161,266
Montreal	128,432,588	+49.8	112,625,319
Ottawa	16,583,202	+20.1	25,476,572
Kingston	492,733	+17.6	502,566
Peterborough	560,641	— 1.5	545,591
Toronto	137,025,383	+28.6	125,903,046
Hamilton	4,518,198	+15.8	4,132,008
Kitchener	917,576	— 1.2	914,734
Brantford	924,146	+20.4	888,530
London	2,970,661	+13.8	2,529,866
Chatham	539,015	+25.7	526,887
Windsor	3,193,260	+ 9.9	3,018,702
Sarnia	430,414	—10.0	445,449
Sudbury	816,710	+15.3	830,232
Western Clearings			
Ft. William	638,978	+21.5	679,976
Winnipeg	33,640,970	—19.7	28,603,013
Brandon	295,193	+ 4.7	227,373
Regina	3,972,233	— 1.9	2,952,065
Moose Jaw	623,501	+ 8.8	507,859
Saskatoon	1,256,284	+ 5.1	1,124,309
Prince Albert	308,494	+ 2.4	309,849
Edmonton	3,869,343	+11.2	3,343,849
Calgary	6,174,580	— 2.9	5,905,244
Medicine Hat	156,530	—37.4	165,308
Lethbridge	402,223	+ 0.8	358,309
N. W'minster	864,014	+79.1	595,253
Vancouver	20,670,398	+17.7	19,963,895
Victoria	1,812,152	+13.1	1,728,200



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Life Insurance companies exercise the greatest care in the selection of properties upon which mortgage loans are made. To safeguard the savings of policyholders, security of principal and interest is and must always be the first consideration.

L-37X

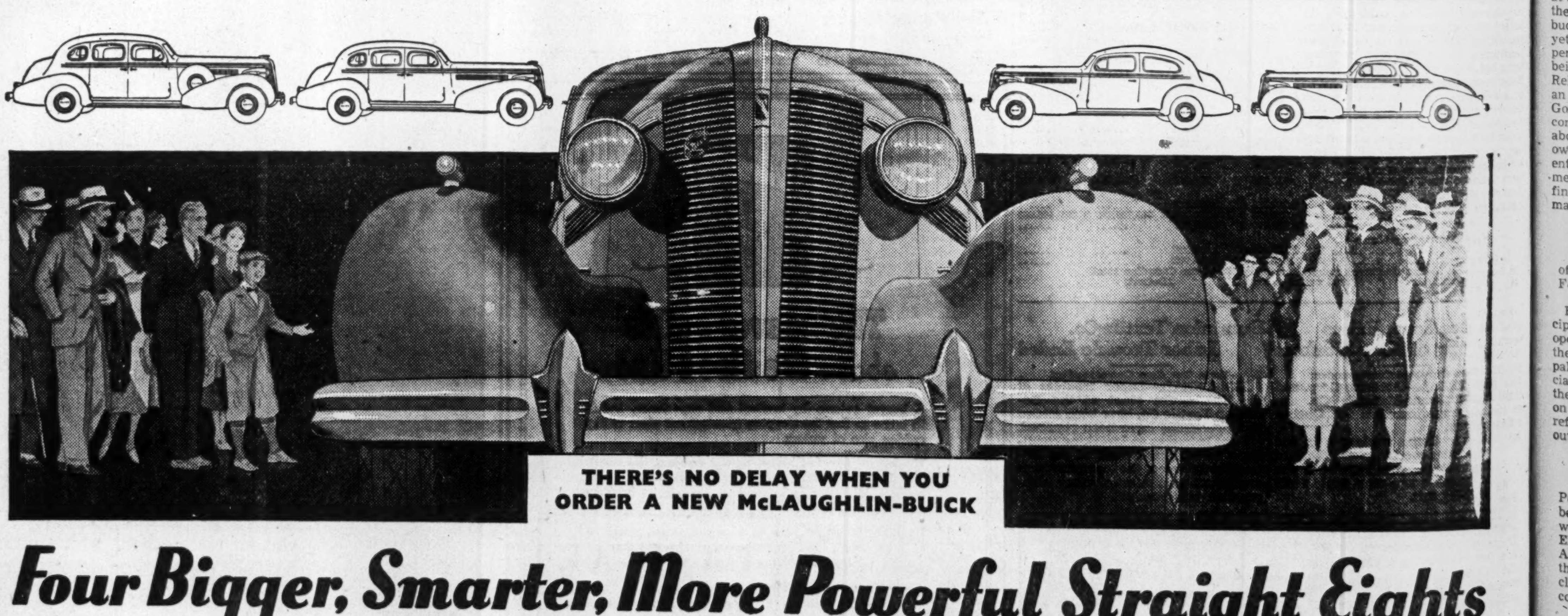
LIFE INSURANCE
GUARDIAN OF CANADIAN HOMES

Banks Open Six Branches, Close Three, in February

Canadian chartered banks announced the opening of six branches and closing of three others during February. Branches now total 3,506, of which 3,360 are in Canada, 25 in Newfoundland and 121 elsewhere.

Four of the new offices were opened by the Royal Bank, at Arntfield, Que., Lochalsh, Ont., Pine Falls, Man., and Val d'Or, Que. The other two were a branch of the Imperial Bank at Bourlamaque, Que., and one of the Provincial Bank at Montreal North, Que.

The Royal closed its branches at Bethune, Sask. and San Jose, Costa Rica, and the Canadian Bank of Commerce its office at Briercrest, Sask.



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(Series 44—Sport Coupe with Opera Seats)
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Monthly payments to suit your purse on the General Motors Instalment Plan.

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McLaughlin-Buick 1937

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AUSTRALIA and NEW ZEALAND.
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
(With which the Western Australian Bank & The Australian Bank of Commerce Ltd. are amalgamated)

Paid-up Capital	£8,780,000
Reserve Fund	6,150,000
Reserve Liability of Proprietors	8,780,000
	£23,710,000
Aggregate Assets 30th Sept., 1936	£115,150,000

A. C. DAVIDSON, General Manager.
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Canadian Dredge

What are the prospects for contracts and earnings of Canadian Dredge & Dock?

Expectations are that Canadian Dredge and Dock will report lower earnings for the year ended Jan. 31, 1936. In the previous year the company had a net profit of slightly over $480,000, equivalent to $5.02 per share on the common stock.

Volume of contracts during 1936 was somewhat light with work on one of the company's major contracts suspended in midsummer because funds were not available for payment. The contracts which the company has in Jamaica and at Port Arthur will appear in the current year's account. It is stated that contracts for the coming season's work amount to over $1,000,000, which is about the same as at this time a year ago.

Total dividend payments in 1936 were $3 per share. Working capital at the end of 1935 amounted to $1.2 million. Since the company has no bonds or preferred stock all earnings are available for disposition on the 94,775 common shares outstanding. Experience of the company has been that earnings fluctuate rather widely.

B. A. Oil Outlook

The income from bonds has fallen so low I am considering purchase of some B. A. Oil shares in hopes of improving my income in the future. Is there a reasonable prospect of this?

British American Oil Co. showed earnings of $1.10 a share for 1935. In 1936 the company drew some dividends from its American producing subsidiary and increased the dividends for the year to $1 a share. It is expected that when the annual report appears it will show this total dividend covered by a comfortable margin. Now the quarterly dividend has been raised to 25 cents, which indicates a regular annual basis of $1 a share.

The company's position has improved in the last few years because of development of large oil wells in the United States. These wells are owned and operated by a subsidiary, British American Oil Producing Co. The earnings of the subsidiary will not appear in the B. A. Oil statement, except for what dividends were drawn in 1936, so the position is really better than it may appear on the surface.

The American subsidiary benefits from the recent rise of approximately 10 to 12% in crude oil prices, and, we understand, is obtaining gross revenues of $6 millions a year or more. All of this gross revenue, of course, is not net profit, but even though large write-offs are made for depletion and depreciation, the cash really accrues in the American company's treasury, except for operating expenses and taxes. In any event, the American revenues hold promise eventually of larger dividends for shareholders of British American Oil.

B. C. Finances

Can you give some indication of the financial position of British Columbia with reference to its bonds?

British Columbia bonds have improved in price recently, reflecting marked improvement in the financial affairs of the province. Economic conditions in the province have recorded remarkable recovery and Government revenues are now at the highest level in history. While the Government has balanced its budget on ordinary account it is not yet taking care of all its relief expenditures, funds for this purpose being borrowed from the Dominion. Relief costs, however, are falling and an encouraging factor is that the Government this year has borrowed considerably less and will have about $2 millions available from its own revenues for relief costs. Present indications are that the Government should be able to regain financial stability through orthodox management of its affairs.

Fort Erie Bonds

Is there any immediate prospect of interest payments on town of Fort Erie bonds?

Fort Erie defaulted on both principal and interest in 1934 and is now operating under the supervision of the Ontario Department of Municipal Affairs. While the town's financial position has been improved there is no prospect of any payment on its bonds until such time as a refinancing plan has been worked out.

Canadian Hydro

As a reader of The Financial Post for some years, would you be kind enough to let me know what you think of Canadian Hydro Electric's first preferred stock. Are they earning a dividend? Is the Ontario Hydro situation cleaned up and when will the company start paying dividends?

Canadian Hydro Electric Corp.'s financial statement for 1936 is expected to show the first preferred dividend earned. Although anticipations were that revenue would fall off for 1937 owing to the reduction in deliveries of power to Ontario Hydro, increased deliveries to other customers and also an increase in firm power delivery to Ontario Hydro last November, have made the outlook considerably brighter. There is now a definite prospect that the dividend will continue to be earned.

As far as the Ontario Hydro is concerned, Canadian Hydro's operating subsidiary, Gatineau Power Co., has fared relatively well under the terms of the new contract. While there is a reduction in revenue, the cut is not as bad as that experienced by other Quebec operators. Even with reduced revenue, Canadian Hydro is in a position to pay the dividend, but the management have deferred action until the Ontario situation is stabilized.

Maple Leaf Milling

What is the position of Maple Leaf Milling Co. 5½% bonds?

Maple Leaf Milling Co. 5½% first mortgage bonds are paying the interest half in cash and half by issue of class A shares up to 1938. Each Dec. 1, up to 1938 inclusive, the company pays 2¾% cash interest. Each June 1, it pays the bond interest at the rate of two class A shares for each $1,000 of bonds. The class A stock carries noncumulative preference dividends of 70 cents a share annually, and becomes cumulative after Dec. 1, 1938. It is also entitled to participate in any further dividends with the common shares. While income on the bond is small, there is obvious attraction in the possibility that the class A shares may eventually pay the holder a return, or may be worth more than the cash portion of interest which they represent.

Kelvinator Dividends

What is the prospective income on Kelvinator common?

Kelvinator Co. of Canada have had a remarkable recovery from the depression, earnings for the year ended Dec. 30, 1936, having amounted to $3.05 a share. The initial dividend of $1.25 a share was paid Sept. 25, 1936. In the current year, the company has had a good volume of business and has expanded its plant facilities. Maintenance of last year's earnings rate, or another increase, would allow a substantial dividend this year. However, the company's dividend policy on the common shares has not been stabilized, and it is difficult to tell just what the investment would return.

Saskatchewan Finances

Is it likely that the Province of Saskatchewan will be able to avoid default on its bonds?

While the deficit on ordinary accounts for Saskatchewan in the 1935-36 fiscal year was only $929,000, the actual deficit for the year was $16.6 millions when unemployment and agricultural relief costs are taken into account. There is, however, no immediate danger of default, the Dominion having undertaken to grant temporary aid pending the report of a Royal Commission which is to investigate the division of financial responsibilities and expenditures as between the provinces and the Dominion. Another factor which must not be overlooked is the possibility of a large wheat crop at present prices. If Saskatchewan was to have a large crop in 1937, with prices remaining at present levels, it would do much to restore financial stability.

Fraser Cos.

Can you let me have some information on the position of Fraser Companies, especially as regards earnings on the common stock and prospects of a dividend?

Fraser Companies is steadily improving its position. Consolidated income last year amounted to $2.1 millions, as against $1.8 million in 1935. After providing for all interest charges, depreciation and depletion, there was a net profit of $94,974 as against a deficit the year before of $84,288. Earnings per share amounted to 27 cents, as against a deficit of 50 cents a share in 1935. While there does not appear to be any immediate likelihood of a dividend on the stock, prospects for the industry as a whole are encouraging and unless there is an unexpected setback, Fraser Companies should continue to improve its position.

Associated Telephone

Can you let us have some information on Associated Telephone and Telegraph Co.? Are earnings improving and how are the bonds regarded?

Associated Telephone and Telegraph Co. has strengthened its financial position largely due to the greater stability in foreign exchange. During the 1935 fiscal year the company showed a net profit of $143,206 as against $9,016 in 1934. Returns for last year are not available. It is understood that net profit was somewhat larger. Bond interest is covered only by a small margin and due to influence of foreign exchange fluctuations on earnings, the bonds are still selling at a discount.

Massey-Harris

Please give me your views on Massey-Harris shares for investment.

Massey-Harris Co. showed a negligible loss of $58,000 in 1936, and may show a profit in 1937 with "normal" crops, because of the pronounced rise in prices for farm products in the past year. There is no prospect of dividends for the present, even on the preferred stock.

The preferred is in arrears over $30 a share, and this matter must be settled either by some sort of share issue, or by cash payments, before the common stock stands to receive anything. Possibly, if you decide to invest in the company, it might be wise to take both common and preferred shares as a hedge against whatever arrangement may be made with respect to the arrears of preferred dividends.

Loblaw Prospects

What are the prospects for further expansion in earnings for Loblaw Groceterias Co.?

Loblaw Groceterias Co. is having another good year. Its earnings in recent years have been stabilized between $1.08 and $1.28 a share. The current year's improvement indicates that the earnings should be larger than those of $1.11 a share shown in 1936. The days of substantial chain store expansion appear to have passed, and any further improvement in the company's earnings is likely to be of a more gradual nature than in the period before the depression. Under good management, however, results to date indicate that occasional extra dividend payments above the rate of $1 a share may become possible.

Dosco Bonds

Will you please let me know what Dominion Steel and Coal Corp. is paying on its income bonds and what is the outlook for the company?

On the basis of earnings for 1936, Dominion Steel and Coal Corp. has paid or declared interim payments of 6% on the income bonds, as compared with the coupon rate of 6¼%. This would indicate an appreciable improvement in revenues, as in the previous year the company was only able to pay 3¼% on the security.

Operations of Dosco last year were well maintained, with production on a higher basis than has prevailed for several years. The outlook for the company continues favorable and with the development of further domestic business and prospects of orders from England, it is likely that it will be able to show earnings on the class B shares before long.

Sandwich Bonds

What progress is being made in refinancing plans for the town of Sandwich?

The town of Sandwich is now a part of the city of Windsor. A refinancing plan for the four municipalities now composing Windsor was approved last year by the fiscal agents and the bondholders' protective committee, but when submitted to the Ontario Municipal Board the plan was drastically revised. The municipal board proposed that interest rates should be reduced even further than agreed upon by the fiscal agents and the protective committee. The revisions proved unacceptable to the bondholders' committee, which filed legal objections. Since that time no progress has been made, but bondholders are hopeful that the city will come forward and accept the compromise which has been offered.

Bathurst

Please let me have particulars on the capital stock of Bathurst Power and Paper and the difference between the class A and B shares. What are the prospects for the company?

Bathurst Power & Paper Co. has outstanding 400,000 shares of class A common, and 300,000 shares of class B common, both of no par value. The former is entitled to $2 per share annually, noncumulative, preference dividend. After the $2 the two classes of stock share alike until class A receives dividends aggregating $4 a year, after which any further dividends apply to the class B. An initial dividend of 25 cents a share was paid on the class A stock in 1929, but no dividends have been paid since. Current reports are that the company has experienced an improvement in earning power, and the report for 1936 is expected to show an increase in earnings on the class A stock, which earned 24 cents a share in 1935. Bathurst has undertaken an expansion programme, involving a capital outlay of about $650,000. In order to provide for this capital expenditure, and protect liquid position, the management may decide to defer dividends for the time being.

Building Products

Will you please let me have your opinion regarding Building Products?

Building Products has reported a marked recovery in earning power, due to revival of demand for building materials of all kinds. Net profits last year amounted to $271,119 compared with $153,157 in 1935 and represented the largest profit shown since 1930. Earnings on the capital stock were equal to $2.24 a shar , or almost double that reported the year before. As a result of the improvement in earnings, the company has increased the distribution to the shareholders. In addition to the regular rate of $1.40 a share, the company has declared extras from time to time. Prospects for further improvement in the building trades are promising and unless there is an unforeseen setback, earnings should continue to expand.

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Sherwin-Williams

Can you let us have some information on Sherwin-Williams preferred stock? What are the amounts of arrears and when will the company pay them off?

At the end of the last fiscal year, August 31, 1936, Sherwin-Williams Co. of Canada had outstanding $3,460,000 of 7% cumulative preferred stock. Earnings on the preferred increased from $5.94 a share in 1935 to $7.58 in 1936, thus permitting the resumption of full dividend payments of 7% for the first time since 1932. Accumulated arrears remain at $14 a share. Financially the company is in a strong position and these arrears could be paid out of current resources, but apparently it is the intention of the management to pay off the arrears as earnings warrant.

Cockshutt Earnings

What is the outlook for earnings of Cockshutt Plow Co.?

Cockshutt Plow Co. had earnings of seven cents a share in 1936, contrasting with a deficit of 73 cents a share in 1935. The outlook for 1937 is regarded as encouraging, because the company's collections have been better, orders have been larger, and there are the usual hopes of a considerably higher crop in Canada. At present prices even normal crops would give farmers much larger income, and might result in heavy replacement of farm equipment. The prospects for the company earning a substantial return on the recent price of the shares depends on continuation of improved agricultural conditions.

Canners' New Capital

I would appreciate your comments on Canadian Canners. I hold both first and second preferred. Do you think the changes in capital improve the investments?

The reduction of the dividend rate on Canadian Canners first preferred from 6% to 5% means that it is somewhat easier for the company to cover the charge. There has also been an important saving in refinancing of the company's 6% bonds. These savings in fixed charges, however, will be required largely for redemption of the serial type of bonds which the company has issued, and which mature, $180,000 annually, from 1937 to 1942. Of course, payment of these serial maturities will gradually reduce interest charges and should benefit the shares.

The change in the first preferred stock does not make it quite as good as it was before, in that the income has been reduced. However, this may be beneficial to the second preferred which you also hold. There is provision for some participation of the first preferred, up to a maximum rate of 6%, with dividends paid on the second preferred. Broadly speaking, we would say that you are just as well off as before. At the company's annual meeting, which will take place May 19, it is expected that a dividend will be declared on the convertible preferred.

Shawinigan

Will you please let us know what the prospects are of Shawinigan increasing its dividend?

Shawinigan has brought about a marked improvement in its position over the last two or three years. Earnings of late have been such that the company could increase the dividend, but the management have decided on a policy of building up liquid resources so as to take care of future needs. It would not be surprising, however, if steps were taken during the current year to increase the dividend again.

General Steel Wares

Will you be good enough to let us know what are the prospects of General Steel Wares distributing dividends on its preferred stock and paying off the arrears of dividends?

General Steel Wares volume of business has increased materially in the last two or three years, with the result that the financial position of the company has been strengthened. Further the company has just undertaken a refunding operation which will bring about a reduction in interest charges on its funded debt. The saving in this regard, together with the earnings reported on the preferred stock last year, indicate that the company is now in a position to resume dividends on the preferred stock. Attention has been given to this matter and it is expected that about mid-summer, a plan will be devised to clean up the arrears of dividends and to place the preferred on a regular paying basis.

Asbestos Corp.

Is Asbestos Corp. likely to pay dividend on its common stock this year?

Asbestos Corp. has done a great deal toward improving its operating and financial position. Earning power has increased substantially in the last two years and the company has been able to retire the underlying bonds. The senior charge at the moment is the general mortgage bonds, which are heavily in arrears of sinking fund; the arrears amount to almost one half of the principal. These arrears must be paid off before any dividends can be paid on the common stock. Accordingly it is anticipated that the company will take action before long to redeem these bonds either through new financing or a bank loan. With the mortgage bonds out of the way, the company will be in a position to pay dividends on its common stock.

Price Bros.

What do you think of Price Bros. common stock at the present market value?

Price Bros. common stock has already recorded a very substantial appreciation in market value. On the basis of the report for 1936 and prospects for 1937, there will be no income available on the common. However if the price of newsprint is advanced to $50 a ton—the present price is $42.50—the company, it is estimated, can earn about $3 a share on the common.

Gypsum Lime

Kindly let us have a report on the common stock of Gypsum Lime and Alabastine. Is it regarded as a sound investment?

Gypsum, Lime and Alabastine common has some promise provided that the anticipated demand from the building trade materializes. For the year ended Nov. 30 last, the company showed a net profit of $39,046, equal to nine cents a share on the common stock. This was the first net profit the company has earned since 1931 when a profit of about the same amount was shown.

Sinking fund payments on the first mortgage bonds amounting to $121,092 per year are in arrears since 1932. The company has also been unable to pay bond interest in sterling and U. S. funds since March 1, 1933, but has always paid in Canadian funds. There is a contingent liability in this regard. It would not take the company long to pay off these obligations if there were a pronounced recovery in building.

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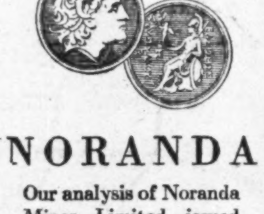

NORANDA
Our analysis of Noranda Mines, Limited, issued periodically since 1926, has been revised to include recent information on the Company. Copies available on request.
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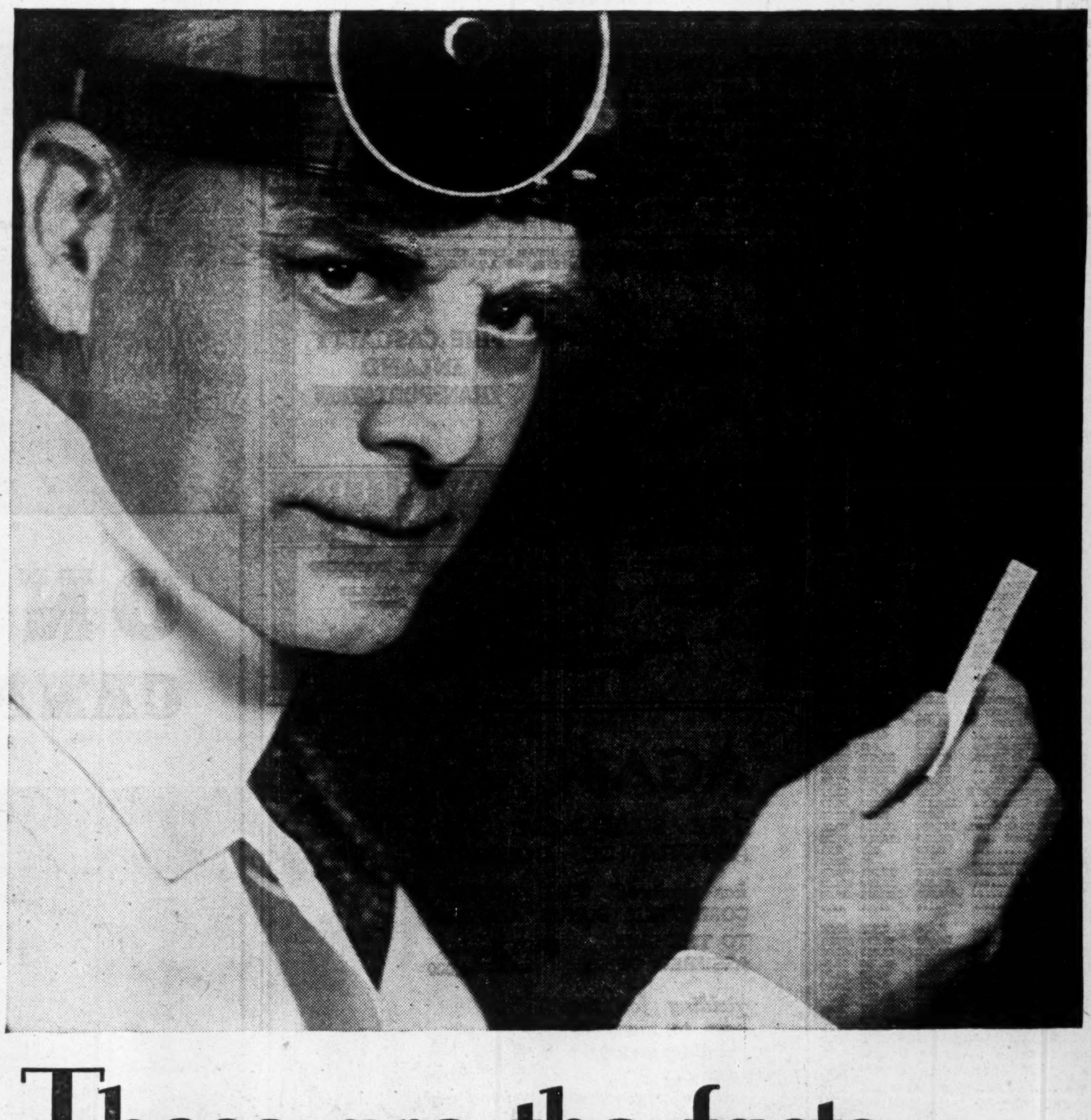

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WINCHESTER
CAMEO MENTHOL
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IMPERIAL TOBACCO COMPANY OF CANADA, LIMITED

Fire and Casualty

Ontario Loss On Car Risks Up for 1936

Insurance Premiums Are Higher at $7.9 Millions But Claims Heavy

RATIO IS 62.46%

Total net automobile insurance premiums written in Ontario during 1936 amounted to more than $7.9 millions an increase of $900,000 or 13% over the previous year. This figure is the highest of any year since 1931.

Unfortunately for the insurance companies, losses showed a greater proportionate gain, advancing by some $600,000 to $4.7 millions. As a result, the ratio of losses incurred to net premiums earned was 62.46% last year, as against 59.21% in 1935. On this basis, underwriting experience on automobile business in the province was the worst since 1928, when a ratio of 63.5% was registered.

Most of the increase in premium volume was reported by Lloyd's which wrote more than $700,000 of business last year, about $500,000 more than in the preceding year. Joint stock companies still account for more than 86% of the business written in the province, however.

Experience by individual companies for 1936 was as follows:

Automobile Insurance in Ontario, 1936

	Net prems. written	Net losses incurred	Earn. loss ratio
Joint Stock Cos.:	$	$	%
Alliance Assur. ..	26,269	30,095	110.04
Alliance Insur. ..	1,059	71	6.82
American Alliance	284	118	40.85
Amer. Auto. Fire	92,208	33,471	37.72
Amer. Auto. Ins. .	351,458	163,736	47.95
American Home .	34,352	34,235	73.74
American Insur. .	1,498	355	24.39
Anglo-Scottish ...	26,480	18,087	66.64
Atlas	66,935	37,358	72.32
British America .	73,415	46,909	66.02
British Canadian .	12,446	7,459	59.06
British Empire ..	49,653	12,911	27.78
British General ..	5,694	2,429	45.87
British Law	265	419	53.27
British Oak	23,689	13,815	55.70
British Traders ..	37,574	16,546	48.09
Caledonian	4,098	2,713	73.87
Camden Fire	1,097	870	54.45
Can. Accident	53,974	47,814	88.88
Canada Security .	24,997	12,344	48.00
Canadian Fire ...	60,409	31,085	52.93
Candn. Gen. Ins. .	156,820	91,446	55.60
Candn. Indemnity	66,452	37,658	58.92
Candn. Surety ...	34,161	18,251	54.41
Car & General ...	5,269	3,808	72.33
Casualty Can. ...	50,355	23,893	49.64
Century	26,678	18,087	66.35
Commercial Union	24,565	9,268	38.49
Consolidated	106,416	56,552	54.94
Continental	3,395	12,052	99.14
Cornhill	41,294	23,432	55.46
County Fire	56	23	39.07
Dom. of Can. Gen.	273,799	112,290	42.78
Dominion Fire ...	19,956	8,589	50.55
Employers' Liab. .	249,134	141,460	57.78
Employers' Reinsur	41,937	27,208	60.09
Federal	39,901	29,388	81.82
Fidelity of Can. ..	33,254	20,189	55.43
Fire of Phil.	162	—14,984	....
First National	.....	.....	....
Fonciere Transport	107,451	76,927	68.58
Franklin	.....	.....	....
General Acc.	247,185	171,221	73.37
Gen. Acc. Fire & Life	58,355	35,983	68.12
Gen. Cas. America	10,922	24,412	117.22
Gen. Cas. Paris ..	24,550	25,463	100.07
General Exchange	301,282	157,316	51.87
Gen. Ins. of Am. .	6,209	3,777	40.72
Glens Falls	196,230	99,282	64.64
Globe Indemnity .	85,448	64,564	75.14
Grt. Amer. Indem.	6,368	8,622	113,52
Great Amer. Ins. .	2,499	1,044	38.87
Guardian	61,673	35,340	62.53
Guildhall	105,794	64,076	63.98
Halifax	117,547	75,136	79.61
Hand-in-Hand ...	4,520	318	6.76
Hartford Acc.	59,936	36,604	63.77
Hartford Fire	7,102	1,254	17.14
Home	94,537	46,887	63.42
Homestead	.....	.....	....
Hudson Bay	.....	.....	....
Imperial Guar. ...	32,156	5,217	16.37
Imperial Ins.	6,540	2,388	34.06
Indemnity of N.A.	17,236	13,867	76.39
Insur. N. A.	5,183	685	13.62
Law, Union & Rock	68,232	46,125	78.47
Legal & General .	24,986	9,820	49.64
Liverpool & L. & G.	49,534	52,141	101.97
Liverpool-Man. ..	9,058	6,701	73.38
London Assur. ...	7,744	10,404	141.02
London-Canada ..	9,200	604	6.48
London & County	219	13	6.93
London G. & A. .	97,345	57,065	60.75
London & Lanc. G. & A.	53,637	36,415	60.47
London & Lanc. .	28,907	23,120	78.76
London Prov.	6,010	1,041	19.01
London & Scottish	4,520	3,758	85.96
Marine Ins.	891	607	67.37
Maryland Cas. ...	27,142	9,816	45.87
Merchants Cas. ..	115,665	74,772	65.85
Merchants Fire ..	16,348	10,639	83.69
Merchants Marine	218	145	47.08
Mercury	859	530	67.99
Metropolitan Cas.	108,097	93,995	99.07
Motor Union	12,013	304	2.26
Nat'l-Ben Franklin	2,314	1,073	55.26
National Liberty .	.....	.....	....
National Union ..	4,972	2,415	63.42
Newark	6,470	4,093	61.63
New Hampshire .	1,539	641	50.83
Nor. Brit. & Merc.	42,415	32,489	76.57
Northern Assur. ..	53,546	33,456	62.81
Northwest Cas. ..	18,352	8,665	47.94
Northwestern Nat'l	5,230	3,407	73.17
Norwich Union ..	129,225	68,869	53.77
Occidental	2,898	3,726	122.83
Ocean Acc. & Guar.	141,698	85,374	60.25
Pacific Coast	26,215	18,087	67.32
Palatine	3,589	383	9.71
Patriotic	323	44	20.03
Pearl	30,657	13,341	46.05
Phoenix	32,258	15,590	51.23
Pilot	451,605	293,591	59.58
Pioneer	.....	.....	....
Providence-Washington	4,486	1,363	38.39
Provident	29,998	70,827	107.81
Provincial	52,726	43,361	87.88
Prudential	75,516	41,728	59.59
Queen	7,769	4,912	61.54
Railway Pass.	25,362	6,417	26.10
Royal Exchange ..	27,315	13,120	46.29
Royal Insurance ..	105,711	84,077	79.06
St. Paul Fire	77,571	49,699	78.46
St. Paul Mercury .	3,674	1,474	44.86
Scottish Met.	19,305	11,891	63.91
Scottish Union ...	23,437	16,156	79.85
Security of N. H. .	2,377	462	20.24
Southern	8,826	6,029	66.64
Sun	28,433	12,885	45.76
Toronto General .	121,549	63,009	47.00
Travelers Fire ...	15,334	2,951	18.71
Travelers Indem. .	115,522	52,775	46.59
Union Ass.	19,469	9,903	54.05
Union Fire	143,621	75,386	58.12
Union of Canton .	70,877	33,970	47.19
Union Marine ...	16,003	5,914	39.80
United British ...	20,717	10,855	54.81
U. S Fidelity	31,817	65,431	210.27
U. S. Guarantee ..	5,727	4,206	78.22
Wapiti	21,982	13,301	68.27
Wellington	164,421	100,305	67.59
Western	165,857	103,183	66.36
Westminster	.....	.....	....
World Marine	20,714	13,171	65.54
Yorkshire	35,153	15,998	43.87
Zurich	113,444	64,000	61.32
Mutuals:			
Central Manufact.	27,146	4,070	15.82
Hardware Dealers	1,790	467	27.17
Hardware Mutual	1,790	467	27.17
Lumbermen's Cas.	149,452	87,810	60.02
Minnesota Imp. ..	1,790	467	27.17
Northwestern	26,960	8,616	42.67
Portage La Prairie	—275	—2,948	....
Wawanesa	153,765	106,249	73.37
Other:			
Lloyd's	708,803	408,573	77.51
Total	7,920,609	4,717,954	62.46

Auto Rate Revision Is General in Scope

Nonboard Companies Follow Association Members in Effecting Increase

Increase in automobile insurance rates announced last week by the Canadian Underwriters' Association will be general.

While the association can only speak for its own members—some 120 companies writing automobile business in Ontario and Quebec—The Financial Post is informed that under a "gentlemen's agreement" most nonmember companies are effecting a proportionate increase of about 5% in their rate schedules. This applies to both joint stock and mutual companies. Lloyd's representatives have indicated that they will also fall in line, and are now at work completing a higher schedule.

It appears that the no-claims bonus has departed for good. Nonboard companies have followed the lead of the board insurers in jettisoning this feature which, it is claimed, has been ineffective in curbing the number of accidents.

While no details have been released on revisions outside of Ontario the Prairies and Quebec, the net result in those provinces will apply to western Canada, the Maritimes and Newfoundland. All changes are effective April 1.

Believe Insurance Inadequate

Reception of the rate changes by insurance men has differed widely. All agree that the increase is overdue, but many, particularly the nonboard men, hold the opinion that the 5% increase will not be sufficient to place operations on a profitable basis. They point out, for example, that the ratio of losses incurred to net premiums written over the last five years has been above 50%. The earned loss ratio is even higher. If 1936 premiums of the companies transacting automobile business in the Dominion were increased by 5%, the written loss ratio would still be more than 53%.

Abolish No-claims Bonus

Abolition of the no-claims bonus, whereby a policyholder with a record of no claims on his insurance company is allowed a discount ranging from 10% to 20%, has received more general approval among the companies. Most hold with the view of the Underwriters' Association that the bonus was unduly discriminative, and that it was ineffective in reducing the number of accidents. Many feel that it is good riddance of a feature which has been subject to a good deal of abuse. Others feel that it provided a very good selling point.

Quebec Revision

Under the revision the Quebec territory has been revamped to provide simplicity. Two districts "A" and "B" have replaced the previous six territorial areas. The former district comprises the islands of Montreal, Jesu, Perrot and Bizard and the towns of Laprairie, St. Lambert, Longueuil, Montreal South, Quebec City and Levis. The remainder of the province will be included in "B" district. In this way it is hoped to distinguish between experience in the more populous districts where claims frequently and loss cost have been greater and in the more sparsely settled communities.

In Ontario, automobile rates against fire are reduced in all parts of the province except in the north. General rates for property damage and collision coverage in the smaller towns and rural districts are increased, after making a reduction for the abolition of the no-claims bonus. A 15% reduction on public liability and property damage rates compensates for abolition of the bonus. Theft insurance rates are reduced in rural communities.

Provincial Changes

Comparative figures on changes in representative centres in Ontario follow: The rates quoted are those on a Ford V8 sedan with five point coverage—public liability, property damage, collision, fire and theft and passenger hazard.

Ontario Rates

	No Bonus	15% Bonus	New Rates
	$	$	$
Toronto	59.70	55.80	56.75
Peterborough .	38.00	35.60	38.65
London	46.00	42.70	43.30
Markham	32.90	30.80	33.50

In Quebec, premiums on a Ford or Chevrolet covered for public liability, property damage and fire compare as follows:

Territory "A"

	Old District Rates			New Rate
	$	$	$	$
No bonus	42.70	48.05	50.30	40.50
20% bonus ...	34.70	39.05	41.30	40.50

Territory "B"

No bonus	41.05	43.85	50.30	38.50
20% bonus ...	33.45	36.25	41.30	38.50

Adjustments announced by the Western Canada Insurance Underwriters Association call for increases of 4% in Saskatchewan, 6% in Manitoba and 6.5% in Alberta. Comprehensive policy discounts have been eliminated. This will result in an increase of about 5% on a five point policy, a decrease on a policy covering public liability, property damage and collision, and an increase in a four point policy where collision is excluded.

Comparative rates in the Prairies follow:

	No Bonus	15% Bonus	New Rates
	$	$	$
Winnipeg, Manitoba..	56.95	53.00	53.55
Remainder of Man...	48.45	45.50	46.50
Province of Sask. ...	47.60	44.80	45.90
Calgary & Edmonton	44.10	41.45	46.70
Remainder of Alta...	44.10	41.45	42.85

In announcing the rate changes, the Canadian Underwriters' Association states that "The experience of the companies writing automobile insurance has for a considerable number of years been decidedly unsatisfactory. For some time it has been increasingly evident that revision of the present rates would have to be undertaken. Claims frequency has increased materially during the past few years and the claims cost has risen in sympathy. The situation has in no way been relieved by the generosity of the awards in contested claims, and has been aggravated by the failure of the no-claims bonus to do what it was designed to do—reduce the number of claims.

Life Insurance

IMPERIAL LIFE OFFICER

S. H. Logan, president of the Canadian Bank of Commerce, was recently appointed a director of the Imperial Life Assurance Co. Mr. Logan is a director of the Toronto Savings and Loan Co. and is president of the Canadian Bankers' Association.

Metropolitan Life Writes General Electric Policy

A group life insurance plan covering approximately 4,000 employees, has been introduced by the Canadian General Electric Co. Insurance issued under the plan is expected to be about $7.5 millions.

The plan includes two certificates of insurance, one of which is paid for entirely by the company and offered in conjunction with additional insurance on a contributory basis. The plan, which is similar to that of the General Electric Co. in the United States, becomes effective April 1, 1937. Insurance has been placed with the Metropolitan Life.

Death Claims Mount in 1936

Payments on Life Policies 10% Higher at $55.3 Millions

Death claims paid by Canadian life insurance companies in 1936 were equivalent to $5 for every person living in the Dominion.

Total disbursements on this account amounted to $55.3 millions, compared with less than $50 millions in the previous year, an increase of more than 10%.

Detailed figures by individual companies, as compiled by The Financial Post, are as follows:

Death Claims Paid

	1936	1935
	$	$
Mutual	3,440,805	3,275,549
London	1,965,690	2,029,846
Dom. of Can. General	31,682	41,826
Sovereign	136,329	111,869
Saskatchewan	29,952	16,576
Manufacturers	4,167,711	3,635,486
Western Empire	25,725	30,640
Western Life	17,729	20,415
Empire	335,078	95,126
Eaton	111,019	72,480
Continental	176,694	186,663
National	318,030	340,613
Confederation	2,982,021	2,687,454
Northern	282,279	263,989
Montreal*	217,375	222,786
Dominion	919,294	886,600
North American	1,252,322	1,090,282
Royal	251,589	96,755
Maritime	60,343	35,658
Excelsior	540,640	516,402
Equitable of Can. ...	202,149	209,911
Imperial	2,233,240	1,906,871
Canada	7,265,553	6,485,088
Crown	854,558	705,757
Sun	24,086,868	21,498,385
Sauvegarde	145,273	144,451
Great-West	3,253,658	3,377,512
Total	55,303,606	49,984,990

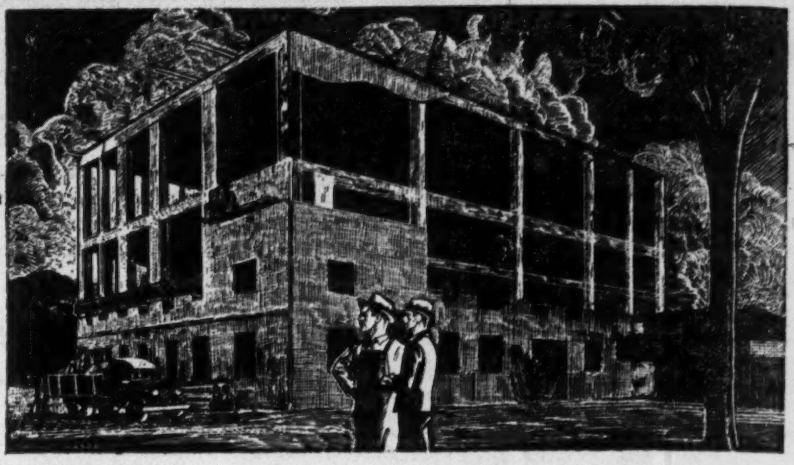
*Less reinsurance.

New Licenses

The following insurance companies have been granted federal certificates of registry to transact the classes of business named, in addition to those for which they are already licensed:

Union Marine and General Insurance Co.—Falling aircraft, earthquake, civil commotion and insurance against loss or damage to property by vehicles, limited to properties already insured by the company for fire.

British Northwestern Fire Insurance Co.—Falling aircraft, earthquake, and civil commotion, limited to properties already insured by the company against fire.



Surety Bonds

Contractors undertaking construction of office buildings, apartments, large houses, provincial highways, etc., must almost always supply Surety Bonds which guarantee the completion of the work.

Pearl Surety Bonds are used everywhere in Canada, and Pearl's wide experience in this line is often found helpful. We would be glad to advise on any bonding or insurance problems confronting you.

PEARL
ASSURANCE COMPANY LIMITED
OF LONDON, ENGLAND

Head Office for Canada:
Metropolitan Bldg., TORONTO

LAWSON T. HARGREAVES, Manager for Canada W. C. BUTLER, Casualty Superintendent

THE EUREKA-SECURITY FIRE AND MARINE INSURANCE COMPANY
INCORPORATED 1864—SAME YEAR AS PEARL . . . POLICIES GUARANTEED BY THE PEARL

GUARANTEED BY EAGLE, STAR AND BRITISH DOMINIONS INSURANCE CO. LIMITED, OF LONDON, ENGLAND

FIRE, CASUALTY
INLAND
TRANSPORTATION

BRITISH NORTHWESTERN FIRE INSURANCE COMPANY

HEAD OFFICE FOR CANADA: 217 BAY ST., TORONTO

J. H. RIDDEL, Manager · V. G. CREBER, Asst. Manager · S. FAIRLEY, Secretary

TORONTO AGENTS:
Armour, Bell, Boswell & Cronyn Limited.
24 King Street West, Toronto

AGAIN . . .

THE STANDARD LIFE ASSURANCE COMPANY

has declared THE ANNUAL COMPOUND BONUS ADDITION TO THE SUM ASSURED OF . . **$21** PER $1,000

yielding for the year to many of the older members over . . . **$40** PER $1,000

on the original sum assured with corresponding cash dividends

ASK FOR A COPY OF THE ANNUAL REPORT

The **STANDARD LIFE** Assurance Company
EST. 1825

All policies are written and issued in Canada and claims are admitted and paid by the Canadian Board of Directors

HEAD OFFICE: 3 GEORGE STREET, EDINBURGH
HEAD OFFICE FOR CANADA. 391 St. James Street, MONTREAL

FIDELITY
Insurance Company
of Canada
TORONTO

Selected Risks mean BIGGER DIVIDENDS for our POLICYHOLDERS

BRANCHES ACROSS CANADA
Vancouver
Kelowna
Victoria
Edmonton
Calgary
Saskatoon
Winnipeg
Toronto
Hamilton
Ottawa
Montreal
Quebec City
St. John
Halifax

By selecting only the highest type of risks this company is able to effect substantial savings for its policyholders, which are returned to them in the form of dividends. In 1935 $1,098,428 were returned to policyholders.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-Assessable Policies — Assets $6,000,000.

ONTARIO . . .
CANADA'S GOLDEN PROVINCE

CANADA'S MARKETS stretch from sea to sea . . . nine progressive provinces with definite needs and multifold demands. And the national magazines of Canada take you right to the most active buying centres in these provinces . . . introduce your product to thousands of homes where demand is active and buying power dynamic.

ONTARIO, for instance . . . Canada's premier province in gold production . . . harboring three and a half million people. Think of the buying power represented by a province which produces 67% of the Dominion's gold; 52% of its minerals; 52% of its manufactures; 36% of its agricultural wealth.

IN ONTARIO there are 788,643 homes; 481,806 urban; and 306,837 rural.

AND IN ONTARIO THERE ARE
546,254 Telephone Subscribers
605,805 Wired Homes
497,242 Owner occupied Homes
489,610 Licensed automobiles
414,351 Subscriptions to this group of Magazines

The national magazines of Canada offer you a proven key to this market . . . a key that has already turned the locks of sales and profits for scores of manufacturers.

WHEN YOU ADVERTISE in the national magazines of Canada:

- *You get simultaneous national coverage.*
- *You get concentrated coverage of every Province.*
- *Your message goes straight to markets where buying power is ample and buying action frequent.*

CANADA'S MAGAZINES
SELL CANADIANS

Canadian Magazine • Maclean's Magazine • Chatelaine
Canadian Home Journal • National Home Monthly

NATIONAL COVERAGE FROM SEA TO SEA

In The Construction World

AMENDMENTS to provincial legislation designed to exempt improvements under the Home Improvement Plan from taxation for three years are being introduced in various provinces.

Criticism of the legislation is heard on the ground that it discriminates unfairly against the home owner who makes needed repairs or improvements to his home out of his own funds. The basis of such criticism appears to be that a man who has saved his money and uses it for the purpose of home improvements is taxed because of his thrift, while those who take advantage of the home loan plan do not incur any additional taxation as a result of his loan, under the amending legislation.

That there is ground for the criticism is obvious, but it may be a difficult matter to correct officially. It is expected, however, that municipal assessors will view all improvements with a lenient eye. After all, most of this work may easily be classed in the nature of maintaining rather than increasing value, of bringing property up to its old worth on which, as a matter of fact, most of the present high assessment is based.

• • •

New Taxation Would Defeat Purpose

THERE is perhaps a special reason why exemption from assessment on home repairs made under the Home Improvement Plan is sound practice under existing conditions. For every unemployed building trades worker absorbed into active labor under the plan, and who has been previously compelled to live on relief, a reduction in relief costs takes place. To tax the result of his labor—and about 80% of the cost of home improvement is estimated to be labor cost—would act as a brake on the main purpose of the whole plan which is to reduce unemployment through home repair and modernization. It would be a vicious circle in which increased assessment, retarding home repairs, also checks employment and bolsters the relief costs which must be met by higher assessments and taxation.

• • •

Safety is Keynote Of New Highway Plans

ALTHOUGH highway construction will record further increases in mileage this year, preliminary studies of the plans of nearly all provinces indicate that safety rather than mileage will be the primary object of highway expenditures in 1937.

In earlier years, when roads were lightly travelled and no congestion existed on main traffic channels, the first object of spending bodies was to get as many miles as possible for their highway dollars. The result was narrow roads, badly graded and surfaced, expensive from a maintenance standpoint and at certain seasons impassable for traffic of any kind.

The advent of high-speed automobiles on already crowded highways, the possibility that trailers will occupy still more highway space and the expectation of heavy tourist traffic from across the border are all focusing new attention on highway safety features. In Ontario and elsewhere, provincial highway authorities are emphatic in their demand for quality rather than quantity in the new highway programmes. Elimination of level crossings, multiple lane highways, and a generally higher standard of construction will be features of highway operations across the Dominion this year.

Old Rails Held For Rise in Steel

Regina city council's proposal to sell its old street car rails as raw material for European armament makers is far-removed from the idea of "beating swords into plowshares." Council has 200 tons of discarded rails to sell and owing to the world shortage of steel and iron, it believes that an offer of $11 per ton is absurd. The council firmly believing that prices will continue to rise, has decided to hold for a while.

Transport Bill Is Held Over

Senate Votes Against Bill in Present Form — Up Next Session

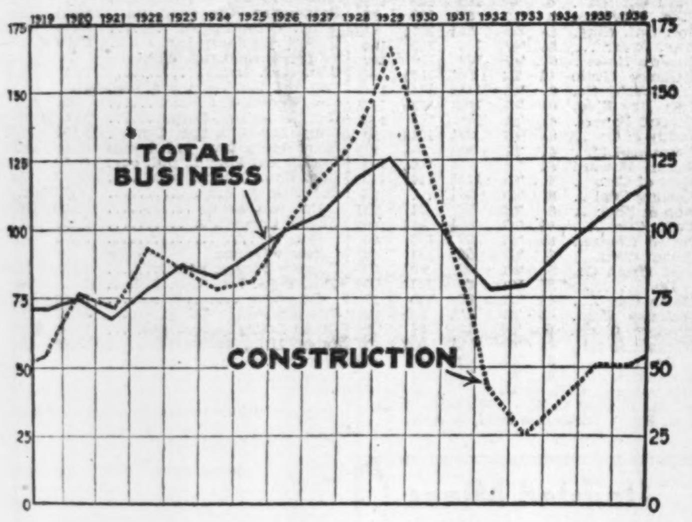
From Our Own Correspondent

MONTREAL.—Transport Minister C. D. Howe's bill to bring control of all transportation agencies in the Dominion under one commission, has been blocked by the Senate. It will be reintroduced at the next session of Parliament.

Opposition to the Bill was based more upon the method of bringing about control, rather than on the principle.

In its final form, the Bill, which has been subjected to many changes both in the Senate Committee on Railways and in the Senate itself, provided for regulation by the proposed Commission of water carriage on the Great Lakes and between the Atlantic and the Pacific coasts through the Panama Canal. It also gave the railways the right to do business under agreed rates, as in Britain.

The majority of the Provincial Governments opposed the provision for even limited highway regulation on the grounds that serious confusion would arise from Federal attempts to regulate interprovincial and international truck movements.



CLIMBING

Comparisons of the volume of construction awards in Canada and the volume of Canadian business, based on Dominion Bureau of Statistics compilations, reveal that the construction industries are still far behind the general level of business recovery. On the basis of 1926 = 100, construction awards reached their lowest ebb in midyear of 1933 or a full year later than the extreme trough of the general business depression. Subsequent recovery tendencies have carried construction totals to a 25% higher level but general business has more than maintained its lead.

Income Tax Inventories Law Tighter

Government Acts to Check Arbitrary Value Discounts

PLAN NO POLICING

From Our Own Correspondent

OTTAWA.—As a result of charges made during the Turgeon textile enquiry, the income tax branch has put new teeth in its rules covering inventories. This is coupled with the revival of the Business Profits War Tax Act, providing for a probe into the affairs of any corporation which the department suspects has been evading the law.

But no wholesale "policing" of business is contemplated, The Financial Post is authoritatively informed. Aside from the impracticability of making their own inventories of all business in Canada, or even the big ones, the officials regard as comparatively limited the practice of deducting arbitrary discounts so as to reduce the inventory below its market value.

It is largely a gamble whether such a practice lowers or raises the tax in the long run. A subsequent jump in prices and the need for upward revision of an artificially low valuation might prove very embarrassing to a company. So might an increase in taxation rates. Even in the books of the textile companies, which are claimed to have unlawfully used arbitrary discounts, overpayment of income tax at times rather than consistent underpayment was shown to have occurred.

Cuts Undetected

The fact that arbitrary deductions from inventory were not caught by the auditors of the income tax branch was largely due to the fact that the responsible official of the company had sworn that the inventory was correct "subject to the usual discounts." The taxing officials took this to mean that the inventory was calculated in the usual way.

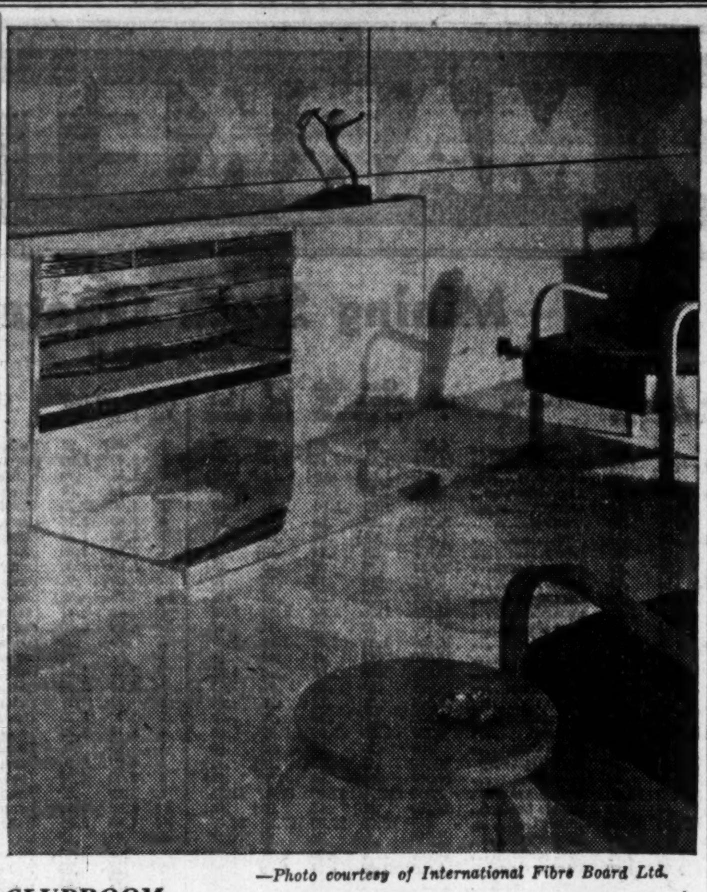
In future company officials will not be able to use such vague terms, but will be required to make specific and unmistakable declarations about the method in which the inventory has been calculated.

Prince Edward Plan Complete

New securities under the plan of reorganization of Prince Edward Hotel Co., of Windsor, are now ready for distribution, according to a notice published by the National Trust Co., Toronto.

Holders of first mortgage bonds of the company can now obtain $300 in cash and $700 in second mortgage debentures of the new company. Until April 30, 1937, bondholders have the option of electing to accept $300 in cash in payment for the $700 of second mortgage debentures of the new company, making possible a total cash payment of $600 for each $1,000 bond.

The hotel will now come under the management of interests headed by George A. Ross and Vernon G. Cardy, Montreal. Mr. Cardy is already in charge of the Mount Royal Hotel in Montreal, the General Brock at Niagara Falls and the Royal Connaught at Hamilton.



—Photo courtesy of International Fibre Board Ltd.

CLUBROOM

When the London Gliding Club, Dunstable, England, decided to modernize its clubroom lounge it adopted a distinctly modern note in treatment of walls, floors and furnishings. Natural color tone fibreboard was used in treatment of walls, blending harmoniously with other features.

Southern Kraft Expands Output

I. P. Subsidiary Will Increase Plant 100% by Middle of Next Year

MONTREAL. — International Paper and Power Co. announces that Southern Kraft Corp., one of its principal subsidiaries, has placed an order with the Beloit Iron Works, of Beloit, Wisconsin, for two specially designed, high-speed, wide Foudrinier machines to be located at a new mill to be built in the South having a capacity of 220,000 tons of kraft board a year. It is expected that this new mill will be in operation before the middle of 1938.

Announcement is also made that Southern Kraft Corp.'s No. 7 mill, now under construction at Georgetown, South Carolina, will be in full operation by October this year and produce at the rate of over 200,000 tons of kraft board a year.

This increase in capacity is in line with International's policy of increasing production to meet increased demand, and will bring the total kraft paper and board production of Southern Kraft Corp. up to one million tons a year.

Anglo-Canadian 'Phone Conversion Is Successful

From Our Own Correspondent

MONTREAL. — Holders of approximately 80% of the 7% preferred shares of Anglo-Canadian Telephone Co. are reported by the underwriters to have exchanged for the new 5½% cumulative preferred shares. For each share of old preferred stock held, the company offered holders one share of new 5½% stock, plus $2.50 in cash.

The 17th, 18th and 19th floors in the
Victory Building
Richmond St. near Bay St.
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No better office space in Toronto.
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New Building

Daily Commercial News and Building Record reports:

Canadian Film Distributors' Association is building a new film exchange in Winnipeg, to cost about $100,000. Nine film distributing companies' offices will be accommodated, with new fireproof vaults for film storage.

Imperial Bank of Canada will erect a new building in Ottawa this year to cost between $75,000 and $100,000. The bank bought the site and existing building last August for $111,125.

• • •

Additions

F. W. Woolworth Co., London, Ont., is modernizing its London store at a cost of about $50,000.

Chrysler Corp. of Canada will build a further factory addition at Windsor, Ont., to cost an estimated $150,000.

Dominion Tack and Nail Co., Galt, Ont., will add about 14,000 feet of floor space and increase plant capacity by 25% this year.

Richards Chemical Works, St. Johns, Quebec, is making a $10,000 addition to its factory.

Supertest Petroleum Corp. has awarded general contract for additions to its office building in London, Ont.

• • •

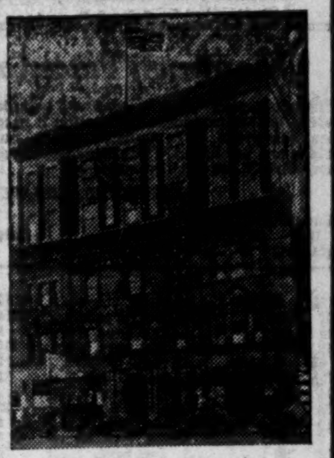
Contemplated

Canadian Lightning Fastener Co., St. Catharines, Ont., plans an addition to its plant at an estimated cost of $25,000.

Steel Co. of Canada preparing plans for a $75,000 third-story addition to its Hamilton nail building.

Stocks Breads, Peterborough, Ont., is planning construction of a distributing centre at Lindsay, Ont. Additions to the Peterborough plant of the company are now under construction at a cost of about $35,000.

What to Plant in Your
ROCK GARDEN
There is a lovely range of rock garden plants—low, trailing types, broad rosettes that flower above, and erect growths that stop at various heights from 6 to 18 inches—fully described and illustrated in our new Jubilee Catalogue. Send for a copy.
STONE & WELLINGTON
The Fonthill Nurseries
Established 100 Years Ago
49 Wellington St. E.,
TORONTO
Phone ELgin 7016

FEDERAL BUILDING
HAMILTON

Ideal location for Brokers, Insurance and Professional Offices.
In centre of city, reasonable rent.
72 JAMES ST. NORTH
Opposite Eaton's.
Rental Office: Room 303

WESTERN HOMES LIMITED
HEAD OFFICE
WINNIPEG, CANADA
MORTGAGE INVESTMENTS
1915 — 1936
22 Years of Progress

	1915	1925	1936
Capital Subscribed	$182,800.00	$2,325,000.00	$2,647,000.00
Capital Paid Up	24,581.53	911,476.97	1,444,650.73
Assets	36,613.93	989,864.12	1,598,519.66
Surplus and Reserve	4,741.62	72,109.13	153,868.93

During the twenty-two years—1915 to 1936—shareholders have received dividends totalling $111.00 on each fully paid share, averaging approximately 5% per annum.

Undivided Profits
NET PROFITS FOR 1936
and surplus brought forward from 1935, total $69,893.08
Appropriated for dividend No. 37 paid in 1936 .... $28,706.51
UNDIVIDED PROFITS, December 31, 1936 .... $41,186.57
ARGUE BROS. LTD. General Agents WINNIPEG

Hennessy & Hennessy
LIMITED
GENERAL CONTRACTORS
Road Builders
Clearing Transmission Lines, Townsites, etc.
Freight Transportation
Write for full information and details of work we have done.
ADDRESSES:
Haileybury, Ont. Rouleau Siding, Que.

STEEL STRUCTURES
RAILWAY AND HIGHWAY BRIDGES
PLATE AND TANK WORK
ELECTRIC AND HAND POWER CRANES
HYDRAULIC REGULATING GATES AND OPERATING MACHINERY
Caissons, Barges, Coal and Ore Bridges, Liftlocks, Turntables, Gear Cutting, General Machine Work, Forgings.
DOMINION BRIDGE COMPANY
LIMITED
HEAD OFFICE - - LACHINE (MONTREAL) QUE.
BRANCH OFFICES AND WORKS:
MONTREAL OTTAWA WINNIPEG VANCOUVER
AMHERST TORONTO CALGARY
AGENCIES: EDMONTON REGINA

1937 Ford V-8 De Luxe 2-Ton 157" wheelbase Truck with stake body.

New Ford V-8 trucks and commercial models are engineered throughout to cut maintenance and to step up V-8 performance and reliability. They're economical on gas, oil and every other item of cost. They give you faster, longer runs—and keep out of the repair shop. * Truck horsepower and torque have been increased. To give performance at lowest cost, 2-ton trucks have a 95-horsepower V-8 engine and 1½-ton trucks have an 85-horsepower V-8 engine. Commercial models have choice of 85-horsepower or a new 60-horsepower V-8 engine. As well as this choice of power to fit your needs, there is a choice of wheelbases, truck axle gear ratios, a range of body types, tire sizes and special equipment to meet individual load requirements. * You get the most advanced style of truck design and many new features that assure greater economy and longer life, as well as those famous Ford features that have won owners' enthusiastic approval. There is also a line of De Luxe trucks. See your Dealer about an "on-the-job" test with the Ford equipment your work calls for.

2 TON & 1½ TON TRUCKS AND COMMERCIAL MODELS

Ford V-8

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MARCH 22

Range 1937 High	Low	Div R'te $	Mar20 Y'ld %	Stock	Sales	Last Mar. 15	Week end. Mar. 22 H	L	Cl'se
				A					
10½	6½	.	...	Abitibi	45323	8⅜	9½	7	8⅜
57	41½	.	...	Do. pref. 6%	21090	54	56½	52	56½
85	60	.	...	Do. pref. 7%	25	73	78½	78½	78½
56	41	.	...	Do. cert. dep.	1188	53	55½	51	55½
6⅞	5	10c	...	Acadia Sugar	135	6½	6½	6½	6½
18½	14½	50c	3.3	Acme Glove	105	14½	14½	14½	14½
94	90	6.50	7.2	Do. pref.	....	(75 bid 90 asked)			
12	8½	40c	4.2	Agnew Surp.	320	9½	9⅞	9½	9½
110	107	7	6.5	Do. pref.	65	108	108	107	107
7	4½	.	...	Alta. Pac. Gr.	2300	5	6	5½	5
42½	28	.	...	Do. pref.	275	31½	33½	32	32½
132⅞	116	.	...	Aluminum	500	116	132⅞	132	138
7	5	.	...	Amal. Electric	75	6	7	7	7
31	29	.	...	Do. pref.	....	(29 bid — asked)			
35⅜	33½	60+40c	..	Amer. Cyn. B.	5	34	34	34	34
55	53	3.50	6.3	Ang. C. Tel. p.	50	55	55	55	55
112	93	.	...	Asbestos	1274	104	105½	102	104
16	11	80c	...	Assoc. Brew.	770	15½	15½	15½	15½
110½	106	7	6.6	Do. pref.	....	(107 bid — asked)			
†8½	7½		...	Assoc. T. & T.A.	....	(— bid 8 asked)			
57	54	42c	...	Do. pref.	90	55	57	55	55
102½	100½	.	...	Ault & Wiborg p	....	(— bid 102½ asked)			
				B					
60	57	2.25	3.9	Bank of Canada	145	59	59	58	58½
155½	143	8	5.1	Bk. Can. Nat.	80	154	154⅞	154	154⅞
245	219	8	3.4	Bk. Montreal	115	233	236	232	232
340	312	12	3.5	Bk. N. Scotia	43	337	340	335	338
273	260	10	3.6	Bk. Toronto	30	273	273	271	271
8	8	75c	...	Barcelona	....	(7½ bid — asked)			
21	17½	.	...	Bathurst Pr.	23038	18½	21	18½	19½
8⅞	6⅞	.	...	Do. (B)	995	7½	8⅞	7½	8½
5⅞	3	.	...	Bawlf Grain	591	3½	3½	3	3
38	25	.	...	Do. pref.	86	28	30	26	30
10	4⅞	.	...	Beath & Sons	....	(6⅞ Mar. 8)			
21½	17½	.	...	Beatty Bros. A	450	19	19	17⅞	18½
107	100	6	5.6	Do. pref.	225	104½	105½	104½	105
102	102	7	...	Do. pref. B	....	102½ bid 105 asked			
10	6½	.	...	Beauharnois	2360	8	8	8	8
107	107	4	3.7	Belding Cort.	....	(107 Feb. 4)			
130	126	7	5.4	Do. pref.	....	(130 Jan. 31)			
178	159	6	3.7	Bell Telephone	1271	162½	163	161	161
16⅞	13½	.	...	Biltmore Hats	830	13½	13⅞	13½	13½
110	109½	7	6.4	Do. pref.	....	(109 bid — asked)			
13	8½	.	...	Bissell, T. E.	....	(12 bid 15 asked)			
65	45	.	...	Do. pref.	....	(55 bid — asked)			
6⅞	4	.	...	Blue Ribbon	....	(4½ bid 5 asked)			
40	35	2	5.2	Do. pref.	20	37	38	36½	36½
29⅞	25½	65c	...	Brant. Cord. pf.	25	26½	25⅞	25⅞	25⅞
30½	18½	40c	...	Brazilian Tr.	34971	27⅞	27½	25	25
9	6	1.40+10c	.	Brew. & Distil.	258	8	8⅞	8	8⅞
4	2⅞	.	...	Brewing Corp.	1120	3½	3½	3½	3⅞
20⅞	14½	1.50	8.3	Do. pref.	637	18	18⅞	18	18
6	6	30c	5	Bright, T. G.	....	(6 Feb. 12)			
†82	75½	6	...	Do. pref.	....	(74 bid — asked)			
26½	22½	1	4	Brit. Amer. Oil	6545	25½	26	24⅞	24⅞
20½	16	.	...	B. C. Packers	1076	19⅞	20½	19½	19½
39½	36½	1.80	4.8	B. C. Power A.	114	37½	37½	36½	37
11½	10		...	Do. (B)	385	10	10½	7	7
12	7⅞	40c	4.4	Bruck S. Mills.	395	9	9½	8½	9
74½	56½	1.40+50c	.	Building Prod.	345	73	72	69⅞	69⅞
8	6½	.	...	Burry Biscuit	....	(6½ Mar. 12)			
60	60	3	5	Do. pref.	....	(— bid 70 asked)			
44½	41	2	4.7	Burt, F. N.	225	42	43½	41	42½
				C					
105	105	.	...	Calgary Power	....	(100 bid — asked)			
91½	79	6	6.5	Do. pref.	....	91 bid — asked			
10½	7½	.	...	Canada Bread	90	8⅞	8⅞	8½	8½
103½	102½	5	4.8	Do. pref.	....	(— bid 103 asked)			
59½	51½	62½c	..	Do. pref. B	50	58½	58½	58	58
10½	8½	40c	...	Canada Bud	425	9½	9⅞	9	9⅞
20½	15½	.	...	Canada Cement	4197	18½	19½	17½	17½
111	100	1	...	Do. pref.	462	108	108	107½	108
73½	67	1.50+2	..	C. & D. Sugar	110	72½	73	71½	71½
b38½	27½	.	...	Canada Dry	72100	35½	38½	34⅞	34⅞
20⅞	16½	.	...	Can. Forg. (A)	25	17½	17½	17½	17½
17	14	.	...	Do. (B)	....	(14 Mar. 12)			
30	30	.	...	Can. Iron	....	(31 bid — asked)			
70	66½	3	4.3	Do. pref.	....	(70 bid — asked)			
38	34	1.50+50	..	Can. Malting	721	38	38	37	37
29½	25½	1.20	4.7	Can. Nor. Pr.	235	27	27	25½	26
112	109	7	6.3	Do. pref.	33	111	111	110½	110½
98	86	3	3.2	Can. Packers	85	93½	93½	92	92
†118	105	.	...	Can. Paper, pf.	....	(112½ bid — asked)			
7	1⅞	.	...	Can. Paving, pf.	....	(2 bid 4 asked)			
156	146	8	5.2	Can. Perman.	108	151	152	150	150
28	25	.	...	Can. Starch	....	(26 bid — asked)			
105	105	7	6.6	Do. pref.	....	(105 Mar. 12)			
4	2½	.	...	Can. Steamsh's	50	3½	3½	3½	3½
6⅞	5½	.	...	Do. new	460	5⅞	6½	6	6
10	6⅞	.	...	Do. pref.	475	7½	7⅞	7½	7½
16½	15½	.	...	Do. new, pf.	160	16	16	15½	15½
21	19	1.20	6.1	Can. Vinegars	85	19⅞	19½	19½	19½
75	56	.	...	Can. W. Cable	50	75	72	72	72
31	19	.	...	Do. (B)	1111	30	31	29	29
115	114	1.75▲	...	Do. pref.	....	(114 Feb. 15)			
6	5	.	...	Can. Bakeries	....	(4½ bid 6 asked)			
73	66	.	...	Do. pref.	41	68	68	66	66
211	183	8	4	Can. Bk. Com.	218	203	200	198	198
61½	58	1+75c	..	Can. Bronze	30	60	59	58½	59
110	105½	5	4.7	Do. pref.	90	108	106½	106½	106½
9½	8	.	...	Can. Canners	165	8⅞	8½	8½	8½
20½	18⅞	25c	...	Do. 1st pfd.	280	19	20	19	19
12½	10	.	...	Do. 2nd pfd.	220	10⅞	10½	10	10
21⅞	17	.	...	Can. Car & Fd'y	3916	19	19½	17⅞	15½
32	27⅞	.	...	Do. pref.	1660	29½	29½	28½	28½
31	24⅞	1.60	...	Can. Celanese	1515	29½	29½	26½	26½
126	121	7	5.6	Do. pref.	65	126	125	124	124
22	21	.	...	Do. Rights	20	22	22	22	22
32	29	2	6.6	Can. Convert.	5	29	30	30	30
77	65½	4	5.2	Can. Cottons	....	(72 bid — asked)			
108	105	6	5.7	Do. pref.	....	(105 bid — asked)			
47	43	2+1	6.9	Can. Dredge	345	43½	44	43	43
101	101	6	5.9	Can. Fairb. pf.	10	101	101	101	101
33	26	1.60	5.7	Can. For. Inv.	213	28	28	26	26
107	105	8	7.5	Do. pref.	14	107	107	105	105
240	240	6	2.5	Can. Gen. Elec.	....	(— bid 240 asked)			
11½	9⅞	50c	...	Can. G. Inv.	20	10⅞	10⅞	10⅞	10⅞
81½	72⅞	.	...	Can. Hyd. E. p.	1445	76½	78	77	77
8½	6	.	...	Can. Ind. Alc.	7590	6½	6⅞	6½	6½
7⅞	5	.	...	Do. (B)	1055	6	6½	5⅞	5⅞
249	240	3.50	...	Can. Indust. B.	30	249	248	247	248
5	3½	.	...	Can. Int. I. Tr.	30	4½	4	4	4
99	93	2.50	...	Do. pref.	29	99	99	99	99
21	19	1	5	Can. Lt. & Pr.	....	(— bid 20 asked)			
23½	17	.	...	Can. Locomo.	345	18½	18½	17½	17½
3⅞	1⅞	.	...	Can. Marconi	7740	2	2⅓	1.85	2
19	14	50c	3.3	Can. Oil	....	(15 bid 16 asked)			
135	126	8	6.1	Do. pref.	20	130	131	131	131
17½	14	.	...	Can. Pacific	20893	15⅞	16	14	14½
7½	3	.	...	C. Pr. & Pa. In.	160	4	5	3	5
27½	18	.	...	Do. pref.	89	23	21	20	21
16	12½	.	...	Can. Vickers	320	13½	13½	12½	13
65	50½	.	...	Do. pref.	40	55	52	50½	50½
25	25	1.25	...	C. Wallpaper A	....	(— bid 25 asked)			
27½	25	1.25	...	Do. (B)	....	(— bid 25½ asked)			
†80½	64	2	...	Can. West'ho'se	....	(65 Dec. 5, '36)			
4	2½	.	...	Can. Wineries	145	2⅞	3	2½	3
25	23	1.50	...	Can. Wire Box.	190	23½	23½	23	23
9½	7½	.	...	Capital Estates	824	7½	7⅞	7½	7½
107	102⅞	5	4.8	Carnation, pfd.	130	103½	103	102⅞	103
11½	6⅞	25c	...	Catelli Food	100	9	8	8	8
11½	10	75c	...	Do. pref.	....	(10½ bid 12 asked)			
†165	150	8	...	Cent. Can. L'n.	....	160½ bid 190 asked			
1.44	1.00	.	...	Chem. Research	4470	1.00	1.08	1.00	1.01
1.80	1.25	.	...	City Gas & El.	500	1.50	1.50	1.50	1.50
.80	.40	.	...	Claude Neon	1514	.65	.60	.50	.50
14½	12½	1.08	7.8	Coast Brew.	275	14½	14½	13½	13½
22½	14½	.	...	Cockshutt Plow	2705	20½	21½	19½	20
4	2½	.	...	Comm. Alcohol.	1875	2⅞	2⅞	2½	2½
23	20½	$1+20c	..	Cons. Bakeries	360	21½	22	21½	21⅞
21	10⅞	.	...	Cons. Paper	57610	17⅞	21	17½	19⅞
19½	12½	.	...	Cons. Press	25	18	18	18	18
60	47	.	...	Cons. Sand, pf.	....	(47 bid — asked)			
100½	74½	50c+$1	..	Cons. Smelters	9015	95	95	90	90
211	201	10	4.8	Consumers' Gas	126	210	207	206	206
95½	89	7	7.3	Corr. P. Box, p.	70	95½	95	92	95
27½	24	80c	3.3	Cosmos Imp.	225	25	25	24	24
105½	104½	5	4.7	Do. pref.	....	(105 bid 106 asked)			
22	18	80c	3.8	Crown Cork	125	21	21	21	21
2½	1½	.	...	Crown Dom. Oil	75	2	2	2	2
50	43	7	...	Crow's N. Coal.	30	47	47	47	47
				D					
5⅞	4	.	...	David & Fre. A	70	5	4	4	4
†1½	½	.	...	Do. (B)	....	(— bid 1 asked)			
22½	15	.	...	De Havilland	1035	20	20	18½	20
82	67	.	...	Do. pref.	....	(72 bid 75 asked)			
5	5	.	...	Disher Steel	....	(5 bid 7 asked)			
18½	15½	.	...	Do. pref.	115	16	18½	17	18½
29	24⅞	.	...	Distill-Seagram	14130	26⅞	29	26	26
94½	92½	1.25	...	Do. pref.	....	(— bid 99½ asked)			
250	234	10	4.0	Dom. Bank	131	242	247	200	245
58⅞	54	1.20	2	Dom. Bridge	2657	56½	58⅞	56	56
24	19⅞	1.50	6.8	Dom. Coal, pf.	1490	23	23	21⅞	21⅞
66	62	.	...	Dom. Engineer.	255	62	65	64	65
[illegible]	90	.	...	Dom. Foundries	....	(135 Mar. 13)			
118	110	5	4.5	Dom. Glass	100	114	114	110	110
153	140	7	4.7	Do. pref.	5	147	146	146	146
10	10	.	...	Dom. Motors	....	(10 Mar. 15)			
[illegible]	41	.	...	Dom. Oilcloth	27	41	41	41	41
[illegible]	95	7	6.8	Dom. Rubber, p	....	(101 bid — asked)			
[illegible]	12½	.	...	Dom. St. & C.B.	21533	25	26½	23	23½
[illegible]	10	.	...	Dom. Stores	985	11	11½	11	11
[illegible]	15⅜	.	...	Dom. Tar & Ch.	890	15⅞	16½	15⅞	15⅞
[illegible]	109	.	...	Do. pref.	250	111	110½	109½	109½
[illegible]	73	5	6	Dom. Textile	446	82	82½	82	82
[illegible]	110	7	4.8	Do. pref.	20	145	110	110	110
[illegible]	13⅞	.	...	Donnacona P.A.	7366	15	16⅞	14½	15⅞
[illegible]	13½	.	...	Do. (B)	1965	14⅞	16	14½	16
[illegible]	13½	.	...	Dryden Paper	2590	15	16	14½	15
				E					
7	2	.	...	East. Koot. Pr.	....	(— bid 6½ asked)			
[illegible]	14	.	...	Do. pref.	30	18	18	15	18
5	2⅞	.	...	East. Dairies	26	3½	4	3⅞	4
[illegible]	17½	.	...	Do. pref.	50	18	19½	19½	19½
[illegible]	19	1	...	East. Steel	10	21	20½	20½	20½
[illegible]	106	7	6.6	Do. pref.	....	(106 bid 109 asked)			
[illegible]	72⅞	7	...	East. Theat., pf.	....	(— bid 80 asked)			
9½	4⅞	.	...	Easy Washing	415	7½	6⅞	6	6½
[illegible]	34	1	...	Economic Inv.	20	39	39	39	39
[illegible]	20½	1.60+10c	.	Electrolux	745	21½	21½	20½	20½
[illegible]	5½	.	...	Enam. & Heat.	815	8	8½	8	8
7	5½	.	...	Equitable Life	115	5½	6½	5½	6½
7	30	.	...	English Electric	175	35	34	32½	32½
[illegible]	13½	.	...	Do. (B)	5	14½	13½	13½	13½
[illegible]	9½	60c	...	European El. A.	200	9½	9½	9½	9½
[illegible]	.65	.	...	Do. Warrants	....	(.65 Feb. 5)			
				F					
[illegible]	9	.	...	Fairchild Air.	590	10⅞	10⅞	9⅞	10
[illegible]	24	80c	...	Fam. Players	20	30½	30	30	30
[illegible]	30	60c	...	Do. Vot. Tr.	....	(30 bid — asked)			
[illegible]	22	50+37½c	.	Fanny Farmer	909	23	23	22½	22½
[illegible]	22½	1	3.8	Ford Motors A.	7647	25	26	25	25
[illegible]	1½	.	...	For. Pr. Secs.	75	1½	1½	1½	1½
[illegible]	24	.	...	Foundation Co.	255	25	26	24	25
[illegible]	29	.	...	Fraser Cos.	3798	32½	37	32½	37
[illegible]	29½	.	...	Do. Vot. Tr.	17690	33	37⅞	33	36½
[illegible]	46	.	...	Freiman, pf.	6	46	48	46	48
11	6½	.	...	Frost Steel	25	7½	7	7	7
107	100½	5.25	...	Do. pref.	45	106½	107	106	106
48	48	.	...	Frost Steel, A p	5	48	45	45	45
				G					
18	8	.	...	Gen. St. Wares.	1295	16½	16½	15	15
110	76	.	...	Do. pref.	195	107	106	103½	103½
92½	86	2.50+2.50		Goodyear Tire	215	91	90	87	87
57	53	2.50	4.7	Do. pref.	180	53½	55	53	53
19½	13½	.	...	Gt. Lakes Pap.	2240	16⅞	19½	13½	18
38⅞	33	.	...	Do. pref.	1773	34½	38⅞	33	38
3½	1½	.	...	Gt. W. Saddlery	410	2½	2⅞	1½	1½
39	29½	.	...	Do. pref.	10	35	36	36	36
15½	7½	20c	...	Gurd, Chas.	215	13	13½	13	13½
100	95	7	7	Do. pref.	....	(95 bid — asked)			
18½	14	.	...	Gypsum, Lime.	10615	16½	17½	16	16½
				H					
18	12⅞	.	...	Ham. Bridge	2415	17	17	15⅞	16½
85	63	.	...	Do. pref.	548	78	86	80	85
38½	30	2+50c	7	Ham. Cot., pf.	40	38½	35½	35½	35½
3⅞	2	.	...	Ham. U. Theat.	....	(1½ bid 2 asked)			
69	60	5	8.1	Do. pref.	5	61	61	61	61
7	5⅞	5c	...	Harding Carpet.	650	5½	6	5½	5⅞
†9	1½	.	...	Hillcrest Coll.	....	(5 bid — asked)			
20	15	.	...	Do. pref.	30	20	19	19	19
22½	20	1	4.7	Hinde & Dauch	190	21⅞	21⅞	20⅞	21
18	14	.	...	Holt Renfrew	....	(18 Feb. 24)			
65	56	.	...	Do. pref.	5	60	65	65	65
1.75	.60	.	...	Honey Dew	714	1.25	1.25	1.05	1.05
15	12	.	...	Do. pref.	20	15	14	14	14
26½	18½	.	...	H. Smith Pap.	2230	24½	25½	24½	25
105	100	3	...	Do. pref.	135	102½	102⅞	101	101
32⅞	32	2	6.2	Humberstone S.	25	32	32	32	32
15	11½	.	...	Hunts (A)	655	14	19	14½	19
18	12	.	...	Do. (B)	80	14	18	16½	18
90	72	5	5.6	Huron & E. Mt.	75	87⅞	89	87⅞	88
15½	11	.	...	Do. 20% pd.	33	15½	15½	15	15
13½	8⅞	.	...	Hydro Electric	....	(9½ bid 10½ asked)			
				I					
251½	234	10	4.4	Imperial Bank	49	244	245	244	244
24⅞	21	50+75c	5.3	Imperial Oil	18996	23½	24	22⅞	22⅞
15½	13⅞	40+22½c		Imperial Tob.	5890	14½	14⅞	14½	14⅞
7⅞	7	6%	...	Do. pref.	....	(7 bid — asked)			
35½	34	25c	...	Indust. Accept.	875	35	35½	34⅞	34⅞
39½	37½	2	...	Inter-City Bak.	....	(— bid 40 asked)			
40	40	4+2	...	Inter'c Coal	10	40	40	40	40
130	130	8	...	Do. pref.	....	(— bid 130 asked)			
†.20	.20	1c	...	Int. Coal & C.	....	(20 bid — asked)			
b16⅞	8⅞	.	...	Int. Hyd. E. A.	14600	14	14½	12⅞	12⅞
18½	15⅞	.	...	Int. Metal Ind.	2674	17	18½	17	18
108	90½	.	...	Do. pref.	1080	100	108	99	108
105	100	5	4.9	Int. Mill., pf.	46	102	103	101½	101½
73½	62½	1.60	2.8	Int. Nickel	29766	71½	71½	66½	66½
11	6½	.	...	Int. Paints	90	9⅞	9½	9½	9½
20	19	75+25c	..	Do. pref.	10	20	19½	19½	19½
b21⅞	16½	.	...	Int. Pa. & P.A.	20000	17½	19⅞	17	19
b14½	10⅞	.	...	Do. (B)	19000	12½	14½	12	13⅞
b7½	5⅞	.	...	Do. (C)	52900	6⅞	7½	6⅞	7
b109⅞	90½	.	...	Do. pref.	41700	102	108½	102½	106½
39⅞	33⅞	1.50+1	6.8	Int. Pete.	73028	37½	38	36	36
12½	5	.	...	Int. Power	421	10	10½	10	10
98	90	6	6.4	Do. pref.	85	93	93½	92	93
†15½	13	1.12	...	Int. St. Rly. A.	....	(— bid 13 asked)			
21½	15⅞	.	...	Int. Util. (A)	105	17	17½	17	17
3½	1⅞	.	...	Do. (B)	1940	2½	2½	2	2
				J					
36½	35	1.75	...	Jam. Pub. Ser.	40	34½	36	36	36
132	131	7	5.3	Do. pref.	5	131	131	131	131
				K					
39	30½	1.25	...	Kelvinator	155	35½	35	34	34½
108	106½	7	6.5	Do. pref.	....	(107 bid — asked)			
				L					
43½	36½	.	...	Lake of Woods.	175	39	38½	37½	37½
156	150	7	4.5	Do. pref.	....	(155 Mar. 12)			
70	55½	5	7.2	Landed Bank	....	(70 bid 86 asked)			
22	15½	70c	...	Lang, J. A.	420	21	21	20	20
6	4½	.	...	Langley's	....	(— bid 5½ asked)			
65	55	.	...	Do. pref.	25	58	60	58	58
77	70½	3	4.2	Laura Secord	100	70½	70½	70½	70½
15	8	.	...	Lindsay, C. W.	25	13½	12½	12½	12½
78	70	.	...	Do. pref.	....	(70 bid 78 asked)			
25	23½	1	4.1	Loblaw (A)	1334	23⅞	24½	23½	24
23⅞	21	1	4.6	Do. (B)	330	22⅞	22⅞	22½	22½
				M					
†10½	2⅞	.	...	MacKin. Steel	....	(6 bid 10 asked)			
64	60	.	...	Do. pref.	5	60	60	60	60
37½	27½	.	...	Maclaren Pr. p.	3337	29	32½	27½	30½
2.50	.75	.	...	M. L. Gardens	245	.75	2.50	2.50	2.50
5	2½	.	...	Do. pref.	30	5	4	4	4
11	6½	.	...	Maple Leaf	1920	9⅞	9⅞	9	9½
12⅞	9	.	...	Do. pref.	158	9½	9⅞	9	9
17	17	60+10c	..	Maritime Tele.	....	(17½ bid — asked)			
†15	15	70c	...	Do. pref.	....	(17 bid — asked)			
†18	13	.	...	Marcus Loew's.	....	(17 bid — asked)			
125	125	7	5.6	Do. pref.	....	(— bid 20 asked)			
16⅞	8½	.	...	Massey Harris	31585	14	16⅞	14	15
74	52½	.	...	Do. pref.	2820	71	73	70	70½
15	13	80c	5.7	McColl Fron.	4131	14	14	13½	13½
101	99	6	6	Do. pref.	175	99⅞	101	99	100
8	4	.	...	Melchers, new	170	4	4½	4	4
9½	8	.	...	Do. pref.	1539	8	8½	8	8
2	2	.	...	Mercury Mills	....	(— bid 5 asked)			
32	20	.	...	Do. pref.	75	22	22½	20	20
50	49	2	...	Mitchell, J. S.	....	(50 bid — asked)			
†110	110	7	...	Do. pref.	....	(109½ bid — asked)			
30	21½	.	...	Mitchell, Robt.	541	25	25½	24½	25
5½	5	.	...	Monarch Knit.	24	5½	5½	5½	5½
86	83½	7	8.3	Do. pref.	....	(— bid 73 asked)			
46	36	50c	...	Montreal Cot.	20	46	46	46	46
110	105	7	6.4	Do. pref.	....	(108 Mar. 13)			
1	1	.	...	Mont. Is. Pr.	....	(1½ bid 4 asked)			
37½	30½	1.50	4.5	Mont. L. & Pr.	6634	31½	32⅞	31½	31½
31	28	2	6.4	Montreal Loan.	....	(31 Mar. 13)			
15½	13	1	...	Mtl. Ref. & S. P.	....	(15⅞ bid — asked)			
1½	1⅞	.	...	Do. Vot. Tr.	....	(1½ bid — asked)			
65	58	3.20	5	Montreal Tele.	125	60	62	62	62
102	91½	9	9.3	Montreal Trams	162	99½	99	95	95
45	42⅞	1.60	3.6	Moore Corp.	1059	43⅞	44½	42⅞	42⅞
188	180	7	3.7	Do. pref. (A)	35	185	188	186	188
267	258	7	2.6	Do. pref. (B)	....	(265 Mar. 3)			
1½	1	.	...	Muirheads	....	(1 bid 1½ asked)			
5	5	.	...	Do. pref.	....	(5½ bid — asked)			
				N					
42½	39⅞	2	4.9	Nat. Breweries.	2610	41	41½	40½	40⅞
43½	40	1.75	4.3	Do. pref.	202	42½	41	40	40
10⅞	8⅞	.	...	Nat. Grocers	1700	10½	10⅞	10	10½
139	137	7	5	Do. pref.	5	139	138	138	138
57½	50½	.	...	Nat. Steel Car.	1070	52⅞	53	50	50
21½	19½	.	...	N. Sew. Pipe, A	250	20⅞	20⅞	20	20
210	201	8	3.9	National Tr.	....	(203 bid 207 asked)			
54	44	90c	...	Niag. W. Weav.	123	47	47½	47	47
4	2½	.	...	North Star Oil.	....	(2½ bid 2½ asked)			
4⅞	4½	8⅞c▲	..	Do. pref.	80	4½	4½	4½	4½
†93	61	5	...	N. S. L. & Pr.	....	(97½ bid 100 asked)			
105	97½	6	5.7	Do. pref.	5	97½	105	105	105
37	9½	.	...	N. S. Steel, pf.	75	25	25	25	25
				O					
300	245	8	2.6	Ogilvie Flour	47	290	299½	299	299
168	159	7	4.4	Do. pref.	5	160	159	159	159
112	106	5	4	Ontario Loan	2	110½	112	112	112
7½	7	.	...	Ont. Silknit	200	7	7	7	7
†90	75	7	...	Do. pref.	....	(— bid 74 asked)			
18⅞	15	.	...	Ont. Steel	45	17	17	16½	17
114	114	3.50	...	Do. pref.	....	(108 bid — asked)			
3½	2	.	...	Orange Crush	....	(2½ bid 3 asked)			
7½	6½	.	...	Do. pref.	50	7	6½	6½	6½
100	93½	6	6.1	Ott. L. H. & Pr.	105	93½	98	98	98
105	103	5	4.8	Do. pref.	....	(— bid 104 asked)			
20½	19½	2	9.7	Ott. Traction	35	20½	20½	20½	20½
				P					
109½	98	1.75+25c	.	Page Hersey	605	105	106	104	105
9⅞	6	.	...	Pantepec Oil	775	6⅞	6½	6	6
20	20	.	...	Paton Mfg.	....	(20 Jan. 26)			
†110	110	7	...	Do. pref.	....	(111 bid — asked)			
63⅞	59	3	5	Penmans	20	63	60	59	59
130	127	6	4.7	Do. pref.	....	(— bid 127 asked)			
26½	23	1	4.3	Photo Eng.	....	(22 bid 23 asked)			
102	96	7	6.9	Porto Rico Pr. p	....	100½ bid 103½ asked			
33⅞	26½	25c	...	Power Corp.	918	28	29½	27½	28½
108	104	6	5.6	Do. pref.	20	106⅞	106⅞	106⅞	106⅞
3⅞	2½	.	...	Prairie C. Oil.	25	2⅞	2½	2½	2½
36	33	1.75+62½c		Pressed Metals	690	33½	33½	33	33½
44	25	.	...	Price Bros.	22237	36	44	34	42½
145	98	.	...	Do. pref.	3735	130½	145	126	142
78	72	.	...	Do., new	....	(72 Feb. 16)			
5	2	.	...	Do. Rights	....	(5½ Mar. 13)			
				Q					
25⅞	20⅞	1	4.7	Quebec Power	905	22½	21⅞	20⅞	20⅞
4⅞	4½	.	...	Que. Telephone	....	(4⅞ Mar. 2)			
				R					
58	40	2	5	Real Estate L'n.	....	(— bid 95 asked)			
10½	8⅞	.	...	Regent Knit.	115	9½	9½	9	9
23½	19	.	...	Do. pref.	206	23	23	23	23
14½	8	.	...	Reliance Grain.	....	(8½ bid 11 asked)			
29½	22	60+15c●	.	Remington R'd.	....	(29½ Mar. 9)			
33	30½	2+1.75	..	River. S. Mills.	....	(31½ bid 32 asked)			
8⅞	7½	.	...	Rogers Majest.	260	7½	7½	7½	7½
30	26	25c	...	Rolland Pap.	....	(30 Mar. 10)			
30½	25	.	...	Do. Vot. Tr.	275	28½	29½	28	29
106½	103½	6	5.6	Do. pref.	70	106½	106½	106	106
11⅞	11½	50c	...	Root Petroleum	....	(— bid 14 asked)			
227	200	8	3.6	Royal Bank	292	220⅞	222	219	220
78	56	1.25	...	Russell Motor	....	(73 bid — asked)			
118	110	7+1▲	5.9	Do. pref.	....	(116 bid 118 asked)			
				S					
103½	100	5.50	5.3	Saguenay Pr. p.	138	102	103½	103	103½
22	13	.	...	Sarnia Br. (A)	50	17	15½	15½	15½
16	8	.	...	Do. (B)	1	12½	8	8	8
34	28	80c	2.6	Shawinigan Pr.	3818	28⅞	30	28½	29½
26½	24½	.	...	Sher. Wms.	440	25½	26	25	25
131	127	7	5.4	Do. pref.	45	131	130	128½	130
16	14	25c	...	Simon & Son	420	15	16	15	15½
101	100	7	7	Do. pref.	....	(101 bid 110 asked)			
110	99⅞	4	3.8	Simpson, pf.	825	107	107	102½	102⅞
38	20	.	...	Do. (A)	81	34	34½	32½	32½
17	11½	.	...	Do. (B)	200	13	14	13	13½
122	118	6	5	Simpson, R., pf.	90	119	120	118	118
18½	14½	80c	5	So. Can. Pr.	50	16	16½	16½	16½
108	104	6	5.6	Do. pref.	57	107½	108	106½	108
12½	8½	.	...	St. Law. Corp.	37676	10½	12½	10	12
33	25	.	...	Do. (A)	14910	30½	33	30	31½
23	22	.	...	St. L. Flour, n.	83	23	22	22	22
140	140	7	5	Do. pref.	....	(135 bid — asked)			
88	68	.	...	St. Law. Pa. p.	3272	77½	88	76	88
15⅞	11½	.	...	Stand. Chem.	45	12⅞	15½	12⅞	12½
14	8	.	...	Stand. Clay	....	(14 Feb. 27)			
9½	5½	.	...	St. Pav. & Mat.	670	8	8	7	7
59	43	.	...	Do. pref.	25	50	50	49	50
49½	45	75+75c▲	.	Stand. Steel, pf.	35	46	45	45	45
96½	80	1.75‡	1.9	Steel of Can.	1965	90	90½	86	88⅞
88½	73	1.75	2	Do. pref.	631	83½	84	82	82
4½	3½	.	...	Sterling Coal	105	4½	4½	4	4
3½	1½	.	...	Stop & Shop	....	(1½ bid 2 asked)			
17	16	80c	4.9	Stuart, D. A., p.	....	(— bid 16½ asked)			
†2⅞	2	.	...	Supersilk H.	....	(3⅞ bid — asked)			
83	80	3.50	4.2	Do. pref.	10	83	83	83	83
37	33½	1	2.8	Sup'l Pete. ord.	125	36	36	35	36
36	34	1	2.8	Do. com.	....	(36 bid 40 asked)			
				T					
16⅞	15½	80c	4.9	Tamblyn	975	16⅞	16⅞	16	16
54	52½	2.50	4.7	Do. pref.	....	(53½ bid — asked)			
2½	1⅞	.	...	Thayers	25	2½	2½	2½	2½
25	19	2.50	...	Do. pref.	10	22	22½	22½	22½
2.00	1.15	.	...	Thrift Stores	....	(— bid 1.50 asked)			
8	7	.	...	Do. pref.	....	(7 bid 7½ asked)			
11⅞	10	40c	...	Tip Top Tailors	80	11	11	11	11
108½	104	7	6.5	Do. pref.	....	(106 bid 107 asked)			
6	2	.	...	Tooke Bros.	....	(— bid 10 asked)			
[illegible]	[illegible]	.	...	Do. pref.	....	(20 bid 25 asked)			
42½	37	1	...	Tor. Elevators	419	42⅞	42½	40	41
52	50½	.	...	Do. pref.	25	51	50½	50½	50½
110	86½	4	4	Tor. Gen. Tr.	62	86½	100	99	100
126	125	6	4.8	Toronto Mtge.	10	126	126	125	125
160	153	7	4.5	Tuckett Tob. p.	....	(— bid 154 asked)			
18	13⅞	.	...	Twin City	....	(— bid 15 asked)			
				U					
19	15	35c	...	Union Gas	3285	15½	15⅞	15	15
26½	20	60+10c	..	Un. Amuse. A.	....	(26 bid 30 asked)			
27	24	60+10c	..	Do. (B)	....	(— bid 30 asked)			
1.15	.85	.	...	United Distill.	505	.95	1.05	1.00	1.00
62½	51½	.	...	United Fuel, pf.	475	54	57	55	56
25	24	2	8.3	United Secs.	5	25	24	24	24
11½	7⅞	.	...	United Steel	3540	10	10½	9	10
				V					
8	4	.	...	Viau Bisc.	37	6	6	5½	5½
60	50	4	...	Do. pref.	125	58	60	60	60
				W					
27	22	50c	...	Wabasso Cot.	....	(23½ bid 25 asked)			
49½	45½	2	4.1	Walker-Good.	7077	47½	49½	45½	45½
20	18½	1	5.8	Do. pref.	967	19⅞	19⅞	19½	19½
3½	2½	.	...	Walkerville Br.	895	2⅞	2⅞	2½	2½
5	2½	.	...	Waterloo Mfg.	1205	4	4⅞	4	4½
12½	9⅞	.	...	West. C. Flour.	385	10	10	9⅞	9⅞
90	80	.	...	Do. pref.	267	82	83	82	82
70½	65	2.40	3.4	West. Grocers	7	70	70½	70½	70½
120	115½	7	6.1	Do. pref.	7	115½	116	116	116
18½	16	80+10c	..	Weston Ltd.	4060	16	17	16	17
106½	99	5	5	Do. pref.	30	100	100	99	99
8	4	.	...	Windsor Hotel	....	(5 bid — asked)			
23	12	.	...	Do. pref.	....	(— bid 19 asked)			
10½	4½	.	...	Winnipeg El. A.	1511	7	6½	6	6
10	4⅞	.	...	Do. (B)	395	6½	6½	5⅞	6
44	30	.	...	Do. pref.	138	32	31	30	30
65	53	.	...	Wood, A. & J. p	15	65	65	62	65
85	78	.	...	Woods Mfg., pf.	85	80	80	80	80
				Z					
7½	5½	.	...	Zimmerknit, c.	5	7	7½	7½	7½
96	92	7	...	Do. pref.	....	(85 bid — asked)			

* Quotations for 1935. No sales recorded in 1936-37 to date.
† 1936.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1937.
● Plus stock bonus 1% paid Jan. 2, and 1% payable Mar. 26, 1937.
▲ Capital distribution.

Mining Stock Quotations

WEEK ENDED MAR. 22

Par Val.	Range 1937 High	Low	Company	Sales	Close Mar. 15 (or last)	High for week	Low for week	Close Mar. 22
1	.10½	.06½	Afton	9,500	.07	.07½	.06½	.07
No	1.90	1.42	Aldermac	45,916	1.65	1.65	1.55	1.58
1	.04½	.03	Alexandria	30,300	.03½	.03½	.03	.03½
No	8.75	6.50	Anglo-Huronian	3,815	7.50	7.75	7.50	7.75
1	1.42	1.00	Argosy	8,771	1.05	1.06	1.00	1.00
1	1.15	.76	Arntfield	10,300	.89	.95	.76	.90
No	.09	.04½	Arno	7,900	.04½	.06	.05	.05
1	.15	.09	Ashley	13,700	.12	.12	.10½	.11½
1	.27	.09	Astoria Rouyn	364,050	.16	.20	.15	.15½
50c.	.16	.07	Aztec	2,900	.10	.10½	.10	.10
1	.36	.24	Bagamac	10,300	.29	.30	.28	.28
1	1.85	1.20	Bankfield	14,418	1.36	1.37	1.30	1.30
1	.65	.25	Base Metals	48,178	.52	.52	.44	.44
No	1.75	1.30	Beattie Gold	10,555	1.43	1.50	1.40	1.40
1	.65	.44	Beaufor	15,850	.47	.47	.44	.44
1	1.70	1.10	Bidgood Kirk	38,613	1.35	1.35	1.20	1.23
1	.72	.55	Big Missouri	20,075	.62	.63	.59	.59
1	.29	.19	Bobjo	26,300	.21	.22	.20	.21
1	1.14	.46	Bouscadillac G. M.	10,650	.60	.80	.70	.70
No	9.00	7.90	Bralorne	4,220	8.50	8.60	8.50	8.55
1	.15	.07	Brasil Gold	100	.10	.08	.08	.08
1	.21	.12½	Brett Trethewey	10,900	.13	.13½	.12½	.12½
1	.13	.08	Brownlee	14,300	.09½	.09	.08	.08½
1	12.50	11.00	Buffalo Ankerite	3,900	11.75	12.00	11.50	11.75
No	.06½	.05	Buffalo Can.	13,900	.05½	.06	.05½	.05½
5	30.00	27.00	Bulolo Gold	875	28.00	28.00	27.50	28.00
No	.23	.10	Bunker Hill	2,790	.14½	.16	.14	.14
No	2.30	1.57	Can. Malartic	11,745	1.75	1.90	1.73	1.80
1	1.75	1.50	Cariboo Gold	2,560	1.56	1.74	1.60	1.70
1	.47½	.24½	Cartier Malartic	28,650	.30	.32	.25	.29
1	1.66	1.35	Castle Trethewey	5,810	1.38	1.60	1.35	1.37
1	.65	.47½	Cent. Cadillac	56,750	.54	.65	.50	.54
1	.31	.13	Cen. Manitoba	27,500	.14½	.14½	.13	.13½
1	5.25	4.05	Cen. Patricia	13,105	4.45	4.70	4.35	4.35
1	.43	.20½	Cen. Porcupine	34,250	.23	.25	.21	.24
No	1.47	1.00	Chromium	16,595	1.12	1.15	1.05	1.08
No	.06	.04	Church M. & Mill	9,700	.04½	.04½	.04	.04
No	.09½	.04½	Clericy	41,200	.04½	.06½	.05½	.05½
5	10.00	5.50	Coast Copper	720	8.25	8.25	6.75	6.75
1	.03½	.02	Cobalt Contact	8,000	.02½	.02½	.02	.02½
5	3.50	2.95	Coniagas	1,635	3.05	3.25	2.95	3.25
No	2.14	1.60	Coniaurum	3,550	1.72	1.75	1.71	1.73
1	2.70	1.62	Con. Chibougamau	40,879	1.62	2.05	1.65	1.90
25	100.50	74.50	Cons. Smelters	9,015	95.00	95.00	90.00	90.00
1	2.98	1.58	Darkwater	20,000	1.75	1.95	1.58	1.58
No	51.12	45.00	Dome Mines	6,150	47.75	48.00	46.75	46.75
1	.15	.07	Dom. Explorers	11,525	.07½	.08½	.07½	.08
1	1.22	.40	Dorval Siscoe	32,650	.76	.94	.78	.89
1	.15	.05	Duparquet	111,600	.14½	.15	.12½	.12½
1	2.05	1.20	East Malartic	47,320	1.62	1.80	1.65	1.68
1	3.15	2.32	Eldorado	112,720	3.05	3.25	3.00	3.15
No	12.87	9.60	Falconbridge	8,070	10.25	10.50	9.60	9.60
1	.54	.20½	Federal	177,250	.25½	.31	.23	.26½
No	1.58	.95	Francoeur Gold	13,975	1.10	1.13	1.00	1.02
1	.60	.55	Gillies Lake	7,800	.....	.60	.55	.55
1	.30	.18	Glenora	27,105	.19	.21	.18	.18½
No	1.02	.74	God's Lake	28,497	.77	.80	.75	.75
1	.30	.10	Golconda	10,300	.16	.15½	.11½	.12
1	.49	.35	Goldale	39,500	.36	.42	.36½	.37
50c.	.25	.12	Gold Belt	......	(.21 bid .25 asked)			
1	.18½	.11	Goodfish	59,350	.12½	.16½	.12½	.13
1	.63	.18	Graham Bosquet	29,450	.38	.37	.31	.32
1	.57	.23½	Granada Gold	28,232	.34	.39	.38	.38
No	.18	.07	Grandora	3,050	.10½	.10	.09½	.09½
1	.46	.18	Greene Stabell	10,950	.20	.20	.18	.18
1	.18	.12	Grull Wihksne	4,000	.12	.13	.12	.12
1	1.23	.90	Gunnar Gold	15,950	.90	.95	.91	.93
1	.07	.03½	Halcrow Swayze	2,500	.04	.04½	.04	.04
1	3.44	2.05	Hard Rock	29,769	2.25	2.45	2.20	2.35
1	.35	.15	Harker	42,500	.22	.23	.20½	.22
5	15.50	13.75	Hollinger	5,251	14.50	14.75	13.87	14.12
1	.72	.50	Howey Gold	19,250	.52	.53	.50	.52
No	41.75	32.12	Hudson Bay	8,333	37.00	37.00	34.87	36.25
1	19.25	15.25	Inter. Mining	100	16.00	15.25	15.25	15.25
No	73.25	62.12	Int. Nickel	29,766	71.25	71.50	66.25	66.50
1	.53	.50	Jacola Mining	34,881	.....	.53	.50	.52
1	2.15	1.40	Jellicoe	59,143	1.48	1.58	1.41	1.41
.	1.61	1.45	Jack Waite	75,700	.....	1.61	1.45	1.50
1	.59	.41	J. M. Cons. Gold	21,040	.43	.45	.41	.43
1	2.90	2.50	Kerr-Addison	79,245	.....	2.90	2.50	2.52
1	.65	.55	Kerr Lake	75	.55	.65	.62	.62
1	2.65	1.75	Kirk. Hud. Bay	9,748	1.90	2.10	1.85	1.97
1	1.35	.90	Kirkland Lake	136,258	1.00	1.25	.99	1.12
1	.40	.24	Kirk. Premier	15,400	.30	.30	.28	.28
1	.48	.23	Kirk. Townsite	18,750	.39½	.41	.36	.39
1	1.10	.88	Laguna	5,900	.91	.90	.88	.90
1	59.50	55.00	Lake Shore	4,486	56.12	58.00	56.25	56.25
1	.28	.14	Lamaque Contact	34,350	.16	.17	.14½	.15
1	1.33	.85	Lapa Cadillac	32,200	.94	1.05	.95	1.01
1	1.02	.78	Lava Cap	30,700	1.00	1.02	.95	.95
1	.30	.18½	Lebel Oro	42,000	.23	.24	.20	.20
1	1.35	.82	Leitch Gold	29,820	.88	.93	.85	.89
1	.07½	.04½	Lee Gold	21,400	.05	.05½	.04½	.04½
No	8.40	6.40	Little Long Lac	6,860	6.85	7.15	6.70	6.85
1	8.60	6.25	Macassa	23,175	6.75	7.85	6.25	7.10
1	.36	.20	Maralgo	21,550	.24½	.25	.20	.24
1	.04⅞	.03½	Malrobic	21,272	.03½	.03½	.03½	.03½
No	.69	.48	Mandy	18,100	.52½	.60	.49½	.51
No	.16	.04	Man. & Eastern	450,960	.07	.08½	.04	.04
1	.44	.18	May Spiers	33,400	.22	.26½	.18	.19
5	42.25	38.00	McIntyre	1,940	40.00	40.75	39.75	39.87
1	2.03	1.57	McKenzie R.L.	30,275	1.63	1.80	1.57	1.67
1	.65	.55	McKinley	1,500	.65	.64	.55	.64
No	4.85	2.00	McLeod-Cockshutt	45,161	2.43	2.80	2.35	2.50
1	.19	.07	McMillan	362,120	.10	.13	.07	.09½
No	1.21	.70	McWatters	167,075	.82½	1.10	.70	.97
1	.57	.17	McVittie	48,500	.38	.41	.33	.37
5	2.00	1.50	Mentor Exp. & Dev.	.....	(1.80 asked .... bid)			
No	5.00	3.25	Mining Corp.	12,205	4.40	4.60	3.95	3.95
No	.29	.20	Minto Mines	9,900	.20	.24	.21	.22
1	.08	.03	Moffatt Hall	4,800	.05	.05½	.04	.04
1	.88	.50	Morris Kirk	20,050	.55	.64	.50	.52½
1	1.95	1.55	Moneta	21,890	1.69	1.70	1.63	1.65
1	.45	.25	Montague	18,000	.39	.45	.34	.40
1	.10	.04½	Murphy	31,900	.06	.06½	.05½	.05½
1	1.05	.59	Naybob	18,700	.62	.72	.59	.60
No	.12	.04	Newbec	25,500	.08	.09	.06	.07
1	1.49	1.05	New Golden Rose	5,315	1.12	1.25	1.05	1.18
1	.05	.03½	Night Hawk Penn.	23,600	.03½	.03½	.03½	.03½
5	3.60	2.66	Nipissing	4,750	2.80	3.00	2.66	2.75
No	83.00	73.37	Noranda	10,947	77.50	80.37	73.50	73.50
No	.90	.72	Nor. Canada	17,824	.75	.85	.75	.75
1	.16½	.06	Norgold	9,100	.09½	.10	.06	.10
1	13.25	8.05	O'Brien	32,190	9.00	9.10	8.25	8.95
1	1.28	.72	Omega	47,381	.97	.97	.90	.90
1	.30	.16½	Osisko	650	.22	.21½	.21½	.21½
1	2.15	1.69	Oro Plata	12,100	1.70	1.85	1.70	1.70
No	4.05	3.40	Pamour	22,049	3.70	3.90	3.65	3.65
1	1.10	.83	Pandora	8,800	.95	.98	.83	.83
1	.42	.30	Parkhill	8,531	.33	.35	.30	.32
1	3.80	3.05	Pato Cons.	4,450	3.35	3.40	3.25	3.25
1	.46	.26	Paulore	16,660	.28	.30	.26	.26
1	.06	.03	Pawnee Kirk	9,500	.03½	.03½	.03½	.03½
1	1.38	.80½	Paymaster	55,315	.85	.90	.83	.85
1	6.60	3.15	Pend Oreille	32,520	6.10	6.25	5.30	5.40
1	2.51	1.75	Perron Gold	10,800	1.95	2.01	1.90	1.93
1	.03⅞	.02½	Peterson Cobalt	20,600	.02½	.02⅞	.02½	.02½
1	9.20	7.10	Pickle Crow	23,560	7.70	7.85	7.40	7.55
1	6.85	5.25	Pioneer Gold B.C.	3,005	5.40	5.50	5.25	5.25
1	.11	.06½	Porcupine Crown	30,000	.06½	.07½	.06½	.06½
1	2.20	1.55	Powell Rouyn	11,805	1.82	1.83	1.75	1.75
1	4.50	3.15	Premier Gold	13,665	3.30	3.30	3.15	3.20
1	1.47	.97	Preston E. Dome	22,500	.98	1.08	.97	1.01
No	1.55	1.10	Prospectors Air's	810	1.28	1.30	1.30	1.30
1	.88	.70	Quebec Gold	1,150	.80	.79	.70	.79
No	.48	.10	Quemont	4,200	.32	.32	.22	.22
1	2.00	1.20	Red Crest	22,650	1.40	1.57	1.30	1.42
1	6.85	5.50	Read-Authier	5,516	5.70	6.10	5.70	5.90
1	1.78	.66	Red Lake	501,038	.91	.93	.66	.76
1	1.35	1.06	Reno Gold	8,675	1.15	1.15	1.08	1.08
1	.22	.12	Reward	48,900	.15½	.15½	.12	.12
1	.16	.06½	Ritchie	157,470	.08½	.10½	.07	.10
1	.12½	.07½	Robb Montbray	22,900	.08	.08½	.07½	.07½
1	.48½	.27	Roche Long Lac	49,215	.29	.32	.27	.27
1	2.40	1.90	San Antonio	8,440	2.00	2.10	2.00	2.00
1	1.13	.76	Shawkey	23,200	.83	.85	.80	.82
50c.	.80	.61	Sheep Creek	6,650	.65	.64	.61	.61
1	4.00	2.75	Sherritt Gordon	34,926	3.60	3.55	3.25	3.35
1	6.65	5.10	Siscoe	16,185	5.40	5.50	5.35	5.35
1	2.50	1.45	Sladen-Malartic	21,295	1.79	2.01	1.80	1.87
1	2.50	1.80	Slave Lake	6,300	1.90	2.00	1.85	1.85
1	5.50	5.50	South Amer. Gold	......	(.... bid 6.25 asked)			
No	.05½	.03½	South Tiblemont	12,300	.04	.04	.03½	.03½
No	1.83	.90½	Stadacona	69,040	1.71	1.70	1.58	1.63
1	.32	.21	St. Anthony	38,300	.23	.24½	.22½	.22½
No	6.90	5.50	Sudbury Basin	8,713	6.35	6.40	5.85	5.85
1	.40½	.23	Sudbury Contact	12,000	.26	.33	.25½	.27½
1	.04	.02½	Sudbury Mines	14,100	.03	.03	.02⅞	.02⅞
1	2.25	1.67	Sullivan Cons.	27,112	1.84	1.88	1.75	1.80
1	4.80	3.75	Sylvanite	8,725	4.00	4.10	3.90	3.90
1	.29	.17	Tashota	16,200	.18	.20	.18	.19
1	6.10	5.35	Teck-Hughes	5,100	5.75	5.85	5.65	5.70
1	2.15	1.30	Thomp. Cadillac	52,215	1.53	1.54	1.40	1.43
1	.65	.20	Timiskaming	100,244	.49	.65	.50	.50
1	4.60	3.00	Toburn Gold	775	3.10	3.40	3.00	3.00
1	2.00	1.30	Towagmac	12,770	1.70	1.72	1.61	1.65
1	2.60	.50	Treadwell	850	1.75	1.75	1.50	1.75
No	3.30	2.66	Ventures	18,015	2.80	2.85	2.70	2.70
No	4.65	3.05	Waite-Amulet	16,206	3.95	4.00	3.75	3.75
50c.	.07½	.05	Wayside	22,000	.05	.05½	.05	.05
No	.05	.03	White Eagle	8,060	.03	.03½	.03	.03
1	.17	.08	Wiltsey-Coughlan	12,300	.10	.10	.09½	.09
1	.77	.45	Wood-Cadillac	35,065	.63	.67	.60	.60
No	8.60	7.40	Wright-Hargreaves	11,690	7.60	7.85	7.55	7.60
No	.53	.34	Ymir Girl	6,700	.39	.39½	.35½	.35½
			OIL STOCKS					
No	.20	.14	Acme Gas & Oil	12,400	.17	.17	.16	.16
1	.57	.40	Ajax	2,200	.42	.41	.40	.40
1	.95	.41	Alta. Pac. Cons.	16,674	.60	.68	.53	.54
1	1.10	.36	British Dominion	1,300	.50	.45	.45	.45
No	6.55	2.60	Calgary & Ed.	25,280	4.30	4.85	4.10	4.40
1	1.75	.42	Calmont	42,120	1.25	1.40	1.14	1.23
No	.95	.24	Common Pete	18,200	.56	.60	.46	.55
No	3.60	1.30	Dalhousie	59,589	2.70	3.05	2.46	2.60
No	.45	.10½	Eastcrest	17,290	.23	.29	.22½	.24½
No	3.35	1.80	Foothills	4,333	1.80	2.20	1.75	1.95
No	1.20	.49	Foundation Pete.	14,100	.54½	.54	.43	.43
No	.39	.16	Hargal	7,013	.20	.25	.21	.21
No	.90	.15	High Sarcee	59,210	.44	.48	.36	.39
No	4.05	2.30	Home	46,455	2.40	2.85	2.40	2.45
1	.87	.55	Homestead O. & G.	23,230	.63½	.64	.58	.58
No	.70	.67	Hunter Valley	......	(.67 Mar. 10)			
No	.16	.15	Do., Warrants	......	(.16 Feb. 22)			
No	.90	.37	Lowery	......	(.... bid .68 asked)			
No	.39	.12	Merland	19,900	.21	.26	.20	.21
No	.63	.35	Mercury	26,200	.50	.55	.41	.50
1	1.15	.45	Model	4,300	.65	.73	.63	.63
5	.49	.17½	Nordon	366,100	.36	.37	.30	.30
No	.12	.05	Oil Selections	2,500	.06	.07	.06	.06
No	4.10	2.00	Okalta	25,425	2.70	2.85	2.35	2.45
No	.12	.06	Olga Gas & Oil	13,250	.07	.07½	.06½	.07
No	.43½	.13	Pacalta	75,300	.24	.27½	.23	.24
1	.70	.61	Petrol Oil & Gas	4,930	.62	.65	.65	.65
No	60.00	43.00	Royalite	2,835	53.00	55.00	50.00	52.00
No	2.00	.62	South West Pete.	5,675	1.19	1.50	1.25	1.25
1	.68	.61	Spooner Oil	......	(.... bid .60 asked)			
No	2.35	1.96	Texas Can.	9,050	2.05	2.05	1.96	1.96
No	.70	.35	United Oil	32,550	.43	.46	.35	.40
1	2.00	1.50	Vulcan	1,100	1.75	1.85	1.70	1.70

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1937 High	Low	Company	Sales	Close Mar. 15 (or last)	High for week	Low for week	Close Mar. 22
25	.02	.00¾	Bayview	11,500	.01⅞	.01½	.01½	.01½
50c.	.15	.09	Aztec	9,800	.10	.10½	.10	.10
20	.04	.01⅜	Beaver Silver	12,700	.02½	.02⅝	.01⅜	.01⅜
1	.70	.60	Big Missouri	10,800	.63	.63	.60	.60
25	.07½	.02½	Bluebird	14,500	.05	.05½	.04½	.04½
No	9.00	7.95	Bralorne	5,311	8.50	8.65	8.50	8.60
1	.07½	.04	Bridge River Cons.	3,500	.04¾	.04	.04	.04
50	.19	.10	B. R. Mountain Gold	4,500	.18	.19	.18	.18
1	.40	.25	B. C. Nickel	10,250	.28	.28	.26	.26
1	3.85	2.95	B. C. Silver	1,218	3.25	3.30	3.15	3.15
50c.	.04½	.03½	Canadian Rand	......	(.... bid .04 asked)			
1	1.75	1.45	Cariboo Gold	4,180	1.57	1.70	1.57	1.66
1	.14	.07½	Congress Gold	7,000	.08	.08	.07½	.07½
25c.	.05	.01	Cork Province	53,000	.02½	.02½	.01½	.02
1	.02	.01	Dalhousie Mines	......	(.01½ Feb. 15)			
No	.28	.13½	Dentonia	9,500	.20	.20	.18	.18
No	.07½	.02½	Dictator	15,100	.03½	.03¾	.03	.03½
1	.05	.03	Dunwell	......	(.03½ bid .04½ asked)			
No	.18	.10	Fairview Amal.	6,123	.10½	.11½	.10	.11
50c.	.69	.38	Fawn Mining	500	.65	.38	.38	.38
1	.06½	.03½	Federal Gold	46,700	.04½	.05½	.04	.05½
1	1.43	.50	George Copper	600	.95	.80	.70	.70
50c.	.06½	.03	George Enterprise	......	(.... bid .05 asked)			
1	.05	.02	Georgia River	2,500	.03	.02½	.02	.02
50c.	.03½	.01½	Glacier Creek	......	(.02 bid .02½ asked)			
1	.29	.10½	Golconda	13,500	.16½	.16	.12	.12
50c.	.25	.11½	Gold Belt	21,700	.23	.23	.22	.23
50c.	.43	.12	Gold Mountain	66,000	.18	.18	.12	.12
50c.	.30	.11½	Grandview	24,900	.20½	.20	.17	.17½
No	.03½	.02	Grange Mines	5,500	.03	.03	.02½	.02½
1	.18½	.11	Grull Wihksne	9,550	.11½	.12	.11½	.11½
No	.05	.00½	Haida Gold	......	(.... bid .03 asked)			
25c.	.21½	.20	Hecla Mining	200	.20	.21½	.21½	.21½
50c.	1.05	.25	Hedley Amal.	......	(.34 Feb. 23)			
No	.13	.05	Hedley Sterling	2,500	.05	.06	.05½	.06
No	.04½	.02½	Home Gold	8,000	.03½	.03½	.03½	.03½
1	.04½	.02½	Independence	......	(.03½ Feb. 11)			
1	.08	.02½	Indian Mines	7,200	.05	.04	.03	.04
50c.	1.18	.96	Island Mountain	6,400	1.05	1.06	.96	.97
1	.22½	.21	Inter'tl Coal	1,000	.21	.21	.21	.21
50c.	.06½	.04½	Inter'tl Gold	4,250	.06	.06½	.05½	.05½
50c.	.90	.80	Kootenay Belle	4,150	.82	.81	.80	.80
20c.	.07	.01½	Koot. Florence	53,000	.04½	.04½	.02½	.02½
25c.	.04½	.01	Kootenay King	15,500	.02½	.02	.02	.02
1	.03½	.00⅞	Lakeview	19,500	.01½	.02	.01½	.02
10c.	.19½	.06½	Lucky Jim	162,300	.18½	.18	.15	.15
No	.07½	.04½	Mak Siccar	11,000	.05½	.05½	.05	.05
50c.	.02½	.01	Marmot Metals	21,500	.02	.02	.01½	.01½
1	.19½	.19	McGillivray Creek	......	(.19 bid .20 asked)			
50c.	.06½	.02½	Meridian Min.	......	(.03 Mar. 15)			
5	.17	.12	Metaline Metals	1,000	.14	.12	.12	.12
No	.28	.20	Minto Mines	62,600	.20	.25	.20½	.22
50c.	.04½	.02½	Morning Star	11,100	.03	.03½	.02½	.03
1	.05	.01½	Morton Woolsey	10,000	.02½	.02½	.02½	.02½
50c.	.15½	.05	Nicola	20,700	.08	.07½	.06½	.06½
50c.	.17	.06	Noble Five	91,600	.13½	.13	.10½	.10½
1	6.75	3.15	Pend Oreille	4,335	6.05	5.90	5.40	5.40
No	.07½	.05	Pilot Gold	9,200	.05½	.06	.05	.06
1	6.75	5.25	Pioneer Gold	1,065	5.50	5.40	5.25	5.25
50c.	.15	.08	Porter Idaho	20,000	.10	.10	.09	.09½
No	.05½	.02½	Premier Border	29,000	.04	.04	.03½	.03½
1	4.80	3.15	Premier Gold	13,315	3.25	3.30	3.15	3.15
1	.15	.04	Quatsino Copper	19,900	.08½	.08½	.07	.07
25c.	.17	.10	Quesnelle Quartz	2,600	.13	.13	.12	.12
1c.	.05½	.03½	Reliance	5,000	.04	.04	.04	.04
1	.37	.23	Relief Arlington	5,200	.25	.25	.23	.23
No	1.90	.75	Reeves McDonald	87,865	1.87	1.85	1.20	1.51
1	1.31	1.06	Reno Gold	3,650	1.10	1.15	1.06	1.08
1	.20½	.06	Reward Mining	49,200	.14½	.14½	.11	.11
1	.09½	.03	Rufus Argenta	38,400	.05½	.05½	.05	.05
1	.11½	.04	Ruth Hope	9,200	.07	.06½	.05	.05
1	.12	.09	Sally Mines	......	(.... bid .10 asked)			
50c.	.15	.09½	Salmon Gold	3000	.11	.11	.10½	.10½
50c.	.78	.58	Sheep Creek	7,200	.64	.63	.58	.50
1	3.20	3.00	Sibak Premier	......	(3.30 bid 3.40 asked)			
25c.	.14½	.04½	Silvercrest	22,900	.12	.12	.10	.10½
20c.	.10	.02½	Silversmith	36,200	.06	.06	.05	.05
1	.63	.42	Standard Silver	......	(.51 bid .55 asked)			
1	.75	.40	Sunloch	1,500	.58	.52	.50	.50
No	.13	.07½	Taylor Bridge	50	.08	.09	.09	.09
1	.12	.08	Taylor Windfall	100	.09	.12	.12	.12
5	.30	.25	Toric	......	(.30 Feb. 23)			
50c.	.04	.00½	United Empire	......	(.02½ Feb. 11)			
No	1.05	.48	Vidette Gold	11,520	.52	.52	.48	.50
No	.06½	.02½	Viking Gold	13,500	.04	.04	.03½	.03½
No	.02½	.01½	Waterloo Gold	......	(.02 Feb. 2)			
50c.	.03	.01	Waverley Tangier	48000	.02½	.02½	.01½	.01½
50c.	.08½	.04½	Wayside	11,300	.05	.05	.04½	.04½
20c.	.13½	.04	Wellington	36,750	.08½	.08½	.06	.06
50c.	.50	.25½	Wesko	45,950	.30	.33	.30	.30
1	.42	.14	Whitewater	103,356	.33	.32	.24	.26
No	.50	.34	Ymir Yankee Girl	......	(.35 Mar. 12)			
			OIL STOCKS					
1	1.09	.26	Alta. Pac. Cons.	23,795	.60	.65	.50	.50
1	.14½	.06½	Amalgamated	8,500	.09	.10	.09	.09
1	.64	.07½	Anaconda	86,700	.32½	.34	.26½	.29
No	.45	.12	Associated Oils	......	(.26 Mar. 3)			
No	.24	.04½	Baltac	16,100	.13	.16	.13	.14½
1	1.05	.15	Brit. Dominion	......	(.60 Mar. 10)			
No	6.20	2.65	Calgary & Ed.	15,360	4.30	4.85	4.05	4.30
1	1.84	.43	Calmont	24,005	1.23	1.36	1.18	1.22
1	.13	.07	Crow's Nest	5,000	.09	.08½	.08½	.08½
1	.90	.26	Commonwealth	12,400	.55	.57	.45	.50
No	3.55	1.33	Dalhousie	10,730	2.65	3.00	2.40	2.50
No	.24	.05	Devenish	6,500	.16½	.16	.13	.13
No	.45	.13½	Eastcrest	1,700	.23	.27	.20	.20
No	.93	.50	Foundation	170	.53	.50	.50	.50
No	.44	.10½	Freehold	40,800	.22	.23½	.20	.21
No	.40	.10	Hargal	7,013	.25	.25	.21	.21
No	.80	.14	High Sarcee	15,100	.42	.46	.36	.38
No	4.10	2.30	Home Oil	7,125	2.45	2.80	2.45	2.55
No	.88	.50	Lowery	2,300	.52	.70	.52	.54
No	.35	.04½	Madison	44,500	.16	.17½	.14	.14½
No	.50	.15	Marjon Oil	21,150	.38	.38	.33	.33
No	.78	.18	McD. Segur Ex.	34,600	.35	.39	.31	.33
1	1.60	.55	McLeod	441	1.00	1.10	.90	1.00
No	.83	.22	Mercury	68,005	.44	.55	.45	.48
No	.39	.12½	Merland	6,100	.22	.25	.20	.22
No	.65	.08	Midwest	4,150	.25	.38	.30	.30
No	.65	.20	Mill City Pete.	6,730	.35	.38	.30	.35
1	1.15	.44	Model	6,600	.66	.73	.60	.61
5	.48	.17½	Nordon	9,900	.33	.35	.29	.29
No	4.00	.85	Okalta	6,225	2.30	2.75	2.33	2.36
No	.44	.13½	Pacalta Oil	15,359	.25	.26	.23	.25
1	1.50	.60	Ranchmen's	6,800	.64	.75	.65	.65
No	59.00	43.00	Royalite	76	53.00	53.50	53.00	51.00
No	3.00	.65	Southwest Pete	5,675	1.30	1.52	1.30	1.30
1	.75	.25½	Spooner	150	.45	.46	.45	.45
No	.72	.16½	United	19,400	.40	.44	.35	.37
No	.38	.95	Vanalta	20,900	.16	.19	.14½	.15
1	3.05	.95	Vulcan	2,450	2.00	1.85	1.66	1.66

Winnipeg Stocks

(Transactions from Mar. 15 to Mar. 20)

	Sales	High for period	Low for period	Close Mar. 20
B & M Synd.	20	4.25	4.25	4.25
Cres. Cream. p.	41	36.50	35.00	35.00
Cryderman	12,300	.04	.03½	.03½
Clover Sold	500	.05	.05	.05
Flin Flon	7,900	.16	.16	.16
Globe Royalties	700	.22	.22	.22
Gt. Falls M.	2,200	.23	.21	.22
Gold Lake	23,754	.06	.04	.06
Gurney Gold	15,200	.54	.50	.54
Great West Lf.	9	352.00	352.00	352.00
Herb Lake	200	.22	.22	.22
Island Lake	2,000	.03	.02½	.02½
Marvel Oils	47,500	.16	.11	.16
Northern Tr.	50	7.00	7.00	7.00
Nor. Can. Mtg.	140	4.00	4.00	4.00
Optic Lake	150	1.00	1.00	1.00
Ore Grande	16,600	.11½	.06½	.11½
Scotia Gold	11,700	.08	.04	.07½
Oxford Mines	50	.60	.60	.60
Packsack	200	.20	.19	.19
Sachigo	135	20.00	18.75	19.00
Star Lake	11,000	.03	.02½	.03
Vanson Man.	6,000	.01½	.01½	.01½
United Grain	64	11.00	10.50	11.00
Rice Lake	800	.04	.04	.04
Wings	875	2.00	1.95	2.00
Wpg. R. Tin	19,000	.03½	.02½	.02½
Wallace Lake	1,500	.03	.02½	.02½
Wylie Dom.	800	.50	.48	.48
Wingold	5,800	.08½	.07½	.07½
West. Brew.	20	1.25	1.25	1.25
West. Steel, pf.	60	19.00	18.00	18.00

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	..	100
Can. Indemnity	125	..
Home-Invest.	20	..
Northern Mtge., part pd.	..	3¼
Traders Bldg.	94½	..

*Stocks more active on other exchanges not included.

Corporation Bonds

Supplied by Investment Dealers' Association of Canada

Mar. 23, 1937

Public Utility Issues	Int. Rate %	Due	Bid Mar. 23	Asked	Bid Mar. 17
‡Ass. Tel. & Tel.	5½	'55	85½	88½	88
▲Avalon 'Phone	5½	'48	102½	105½	101½
Beauharnois P.	5	'73	52½	55½	53
‡Bell Telephone	5	'55	110½	113½	112½
‡Do.	5	'57	113½	116½	114
B. C. Power	4½	'60	96	99	97
B. C. Tele.	4½	'61	104	107	105
‡Calgary Pwr.	5	'60	95	98	95½
‡Do.	5	'64	94	97	93
†Can. Nor. Pwr.	5	'53	101½	104½	101½
‡Dom. Gas. & El.	6½	'45	91½	94½	94
‡Gatineau Pwr.	5	'56	100½	103½	100
‡Do., A	6	'41	100	103	99½
‡Do., B	6	'41	99	102	99
Gt. Lakes Pwr.	4½	'56	94½	97½	95½
‡Inter. Hydro-E.	6	'44	78	81	80½
‡Inter. Power	5	'57	97	100	99
‡Do.	6½	'57	100	103	101
▲Do.	6	'55	100½	103½	101
†Maclaren-Que. Power	5½	'61	95	98	95
†Do.	5½	'64	93½	96½	92½
†Mtl. Island Pr.	5½	'57	103	106	103½
†Mtl. L. H. & Pr.	3½	'56	97½	100½	98½
†Mtl. Tramways	4½	'55	...	80	78
†Do.	5	'41	101½	104½	101½
†Do.	5	'55	77½	81½	84
Nfld. L. & P.	4½	'56	101	104	101
Nat'l L. & P.	6	'49	95½	98½	95½
N. S. L. & P.	4	'57	97½	100½	98½
†Ot'wa L.H.&P.	5½	'57	104½	107½	104½
†Ottawa Tract.	5½	'55	101½	104½	101½
†Ottawa V. Pwr.	5½	'70	105	108	105
†Power Corp.	4½	'59	98½	101½	100½
‡Quebec Pwr.	5	'68	102½	105½	102½
Saguenay Pr., B	4½	'66	102	105	101
*Do., A	4½	'66	100	103	100
†Shaw. W. & Pr.	4	'61	95½	98½	95½
†Do.	4½	'70	101½	104½	101½
†South. Can. Pr.	5	'55	102	105	102
†United Secs.	5½	'52	...	80	79
†West. Pwr. Co.	5	'49	104	107	104
‡Winnipeg Elec.	4½	'60	104	107	104½
‡Do., A	5	'65	77½	80½	79
‡Do., B	4	'65	72½	75½	73
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	95	98	91½
Acadia Sugar	4½	'55	101½	104½	101½
†Alta. Pac. Gr.	6	'46	97½	100½	97
Asbestos Corp.	5	'42	100	103	100
B. A. Oil	4	'45	102	105	102
Canada Bread	6½	'41	109	112	109
†Canada Cement	4½	'51	100	103	99½
†Canada Paper	4½	'52	95½	98½	95½
Can. Steamship	6	'41	67½	70½	68½
Can. Canners	4	'51	97	100	97
Can. Bakeries	6½	'45	99½	...	99
‡Can. Inter. Pap.	6	'49	101½	104½	100½
C. P. R.	3½	'51	102	105	103
Do.	4	'49	105½	108½	106½
Do.	4½	'44	101½	104½	101½
Do.	4	Perp.	...	...	92½
†Can. Vickers	6	'47	101½	104½	101½
†Consol. Paper	5½	'61	95	98	90½
‡Dom. Coal	6	'55	100	103	100½
Dom. Sq. Corp.	6	'48	75½	78½	75½
▲Dom. Stl. & C.	6½	'55	110	113	111
Dom. Tar	4½	'51	98½	101½	98½
Dom. Textile	4½	'55	...	...	106
†Donnacona P.	4-4½	'56	85	88	85
†Eastern Dairies	6	'49	85½	88½	85½
†Famous Play.	4½	'51	95½	98½	96
†Federal Grain	6	'49	100½	103½	100½
†Fraser Cos.	6	'50	101	104	101
Godfrey Realty	6	'42	...	...	48
Great Lakes Pap.	5	'55	95	98	95½
†Gypsum L.&A.	5½	'48	102½	105½	102½
†Gr. Br. & Can. Invest.	4½	'59	88½	91½	88½
Hamilton Cot.	5½	'48	103	...	102
Ham. By-Prod. Coke	5	'55	99	102	101
Do.	6	'56	98½	101½	98½
†Inter. Paper	6	'55	98½	101½	99
†Inter. P. & P. Nfld.	5	'68	103	106	103
Inter City Bak.	5½	'48	103	106	103
Inter-City West. Bakeries	6½	'50	63½	66½	64½
†Kingston Elev.	6	'50	98	101	98
Lake St. John P. & P.	5½	'61	101	104	101
Do.	5	'61	82	85	80½
†Lond. Can. Inv.	4½	'48	96½	99½	96½
†Maple L. Mill. (Bundles)	5½	'49	82½	87½	86
†Massey-Harris	5	'47	99	102	99
†McColl-Front.	6	'49	103	106	103
†Mercury Mills	5½	'53	80	85	80
†Mersey Paper	6	'49	101	104	100
‡M. & O. Paper	6	'45	70	73	65
Mtl. Dry Docks	6	'48	93½	96½	93½
Nat'l Grocers	6	'47	100	103	100½
†N. A. Elevators	6	'50	97	100	97
Nor. Ont. Bldg.	6½	'39	98½	101½	98½
‡Prov. Paper	5½	'47	102	105	102
Queen's Hotel	6	'47	100	103	100
‡Reliance Grain	4½	'52	98½	101½	98½
†Restigouche Co.	6	'48	111½	114½	111½
Rich. Bay Bldg.	6½	'47	100½	103½	100½
†Rolland Paper	4½	'51	103	106	103
Ruddy & Co.	6½	'48	98½	101½	99
†Simpsons Ltd.	4½	'51	94½	97½	94½
†Smith, Howard	4½	'51	99½	102½	100
†Steel of Can.	6	'40	111½	114½	112
Sterling Coal	6	'40	91½	...	91
Stop & Shop	6	'47	77	81	78½
*Twin City	5½	'52	81½	84½	82½
United Amuse.	5	'56	97	100	97
United Corp.	5	'53	98	101	98
Unit. Grain Gr.	5	'48	96	99	97
Do.	5½	'49	98	101	98½
Union Gas	4½	'50	97	100	97
▲Wabasso Cot.	4½	'51	95½	98½	96
†Western Grain.	6	'49	78	81	78
Windsor Hotel	6½	'43	82½	85½	83
Do.	6	'47	43	46	43½
Zimmerknit	6	'51	98	101	98

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K. *Payable in U. S. only.

Unlisted Stocks

March 22, 1937

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, com.	6.25	6.50
Do., pfd.	5.35	5.60
Acme Farmers Dairy, pfd.	60.00	....
Algoma Steel, com.	21.75	23.00
Do., pfd.	92.00	92.50
Andian Nat.	48.50	49.25
Assoc. Tel. & Tel., pfd.	52.50	55.00
B. C. Pulp & Paper, pfd.	50.75	....
Do., com.	10.50	....
Burlington Steel, com.	17.75	18.25
Burns & Co., A	16.75	17.75
Do., B	7.00	7.75
Canada & Dom. Sugar	71.75	72.50
Canada Starch, com.	28.50	....
Do., pfd.	107.00	....
Can. Tube & Steel, pfd.	80.00	....
Do., com.	10.00	....
Can. Wire & Cable, pfd.	116.50	118.50
Can. Airways	8.25	9.50
Can. Industries, A com.	250.00	252.00
Do., B com.	247.00	250.00
Do., pfd.	159.50	162.00
Can. Ingersoll-Rand	130.00	133.00
Can. Westinghouse	72.00	73.50
Chase, A. W., pfd. bonus	27.00	28.00
Claude Neon Gen. Adv., pfd.	11.75	12.50
Conduits Nat., com.	6.25	6.50
Crescent Creamery, pfd.	35.50	38.00
Dom. Found. & Steel, new c.	32.00	....
Do., rights	15.00	....
Do., pfd.	98.50	100.00
Dominion Rubber, pref.	101.50	....
Dominion Woollens, com.	.75	1.25
Dunlop Tire, pfd.	89.50	....
Eastern Dairies, pfd.	20.50	22.50
Federal Grain, com.	4.25	5.00
Do., pfd.	42.00	46.00
Goderich Elevator	8.00	8.75
Greening Wire, pfd.	104.00	106.00
Guelph Carpet, pfd.	106.50	107.50
Do., com.	26.50	28.00
Hayes Steel Prod., com.	10.00	....
Do., pfd.	8.00	9.00
Highland Dairy, com.	2.00	2.85
Do., pfd.	77.00	82.00
Inter City Baking, com.	37.75	39.00
Inter. Met. Indust., A pfd.	100.50	103.00
Lake St. John, com.	59.00	60.00
McCormick's, com.	4.25	4.50
Do., pfd.	11.00	....
Mercury Mills, com.	2.00	....
Morrison Brass, pfd. bonus	9.50	13.00
Mount Royal Hotel, pfd.	4.25	....
N. Meth. Laund., pfd. bonus	91.50	....
Perfection Pete., pfd.	20.00	24.00
Provincial Paper, pfd.	107.25	....
Reliance Grain, com.	10.00	11.00
Do., pfd.	97.50	99.00
Robin. Consol. Cone	9.75	10.50
Ruddy, E. L., pfd.	42.00	47.00
Seal O Sac (Can.)	23.00	25.50
Silverwoods Dairies, pfd.	3.00	....
Standard Fuel, com.	7.00	9.00
Do., pfd.	104.00	....
Supertest, B pfd.	27.00	28.50
Toronto Carpet, com.	53.50	....
Do., pfd.	54.00	....
Do., A pfd.	19.00	20.00
Western Grain, pfd. bonus	....	14.00
Wings Limited	1.80	2.05
Trusts and Loan Stocks:		
Chartered Trust	94.00	....
Commercial Finance, com.	2.60	3.00
Debenture of Canada	23.00	....
Guelph Ont. Inv., par $50	49.00	53.00
London & West. Trust	57.00	61.00
Prudential Trust	5.25	....
Sterling Trust	39.00	....
Traders Fin., com.	14.00	18.00
Do., B pfd. bonus	95.50	....
Trusts & Guarantee	32.00	33.50
Insurance Stocks:		
Canada Life	535.00	543.00
Canadian Ins. Shares	15.00	18.00
Confederation Life, 20% pd.	115.50	118.00
Dominion Fire	135.00	....
Dom. of Can. Gen.	135.00	145.00
Empire Life, 25% pd.	11.00	12.00
Federal Fire, 25% pd.	40.50	....
Fidelity Ins. of Can.	50.00	....
Great West Life	345.00	360.00
Guar. Co. of N.A., fully pd.	290.00	304.00
Imperial Life	370.00	....
Manufacturers Life	250.00	260.00
Monarch Life, 10% pd.	21.00	22.50
Sovereign Life, 25% pd.	16.00	18.00
Sun Life	685.00	720.00
Western Assurance, com.	51.00	....
Do., pfd.	40.00	45.00
Theatre Stocks:		
Allens, Kingston, pfd.	65.50	74.00
Do., Parkdale, pfd.	70.50	....
Do., St. Catharines, pfd.	60.00	....
Do., Toronto, pfd. bonus c.	29.00	33.00
Loew's, London, pfd.	2.75	3.25
Do., Toronto, pfd.	116.00	122.00
Mansfield Theatre, pfd.	....	41.00
Paramount, Kitchener, pfd.	55.50	62.00
Do., Oshawa, pfd.	90.00	94.00
United Amusement, A	26.00	....
Investment Trust Shares:		
Can. Gen. Invest.	10.80	11.00
Can. Int. Inv. Trust, pfd. bon.	111.50	....
Can. Investment Fund	4.90	5.20
Can. Investors Corp.	10.00	10.50
Cons. Div. Std. Sec. Units	20.50	21.50
Dom. Scott. Inv., pfd. bonus	48.50	51.00
Investment Found., pfd. bon.	68.50	70.00
Lon. Can. Invest., com.	5.00	5.50
Sec's. Hold., com.	1.75	....
Do., pfd. bonus	26.00	28.50
United Corpns., A	26.50	27.50
Do., B	34.00	36.00
Power Issues:		
Calgary Power, pfd.	92.50	94.00
Can. West. Nat. Gas, pfd.	92.50	94.00
Do., com.	27.50	....
Foreign Power Sec's., pfd.	11.00	13.50
Great Lakes Power, pfd.	99.00	101.00
Inter. Util., $1.75 pfd.	17.50	18.50
Montreal Island Pwr., pfd.	19.00	....
New Brunswick Tel., com.	13.50	14.50

Municipal Bonds

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	110.00	112.50	4.18
Hamilton	5	1950	106.00	108.00	4.21
Montreal	5	1945	104.00	105.50	4.18
Ottawa	4½	1945	105.25	107.25	3.50
†Quebec	5	1959	103.00	105.00	4.64
Saint John	5	1950	106.00	107.50	4.27
Toronto	4½	1955	106.50	108.50	3.84
†Vancouver	5	1950	88.00	92.00	5.89
Winnipeg	5	1944	97.00	101.00	4.83

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.85	5.10
Can. Invest. Fund	4.80	5.15
All Can. Trustee	16.25	16.75
Trans-Canada	16.00	....
Grouped Income	6.73	7.33
Can. Equity	13.00	....
Can. Int. Tr., modified	6.25	6.75
Do., unmodified	5.50	6.25

Unlisted Mines

March 23, 1937

	Bid	Asked
Albany River	.92	.95
Algold	.52	.55
Amm. Gold	.39	.41
Arno	.04	.05
Athona	.21	.24
Arrowhead	.40	.43
Area	.05½	.05½
Augite	.43	.45
Bailor	.04	.05
Bar Lar	.22	.24
Bathurst New	.05	.05½
Bid'Lamaque	.31	.34
B. L. Lac	.06	.07½
Big Master	.12	.14
Bilmac	.15	.18
Baldwin	.03½	.04
Blanch'te	.28	.30
Brengold	.12	.14
Bousquet	.07	.08
Britcanna	.66	.69
Cal. Fl. Flon	.10½	.12
Can. Pan.	.15½	.16½
Can. Kirk.	.03¼	.02½
Candalaca	.47	.50
Ca. Bous.	.17	.19
Casey Co.	.03	.04
Centrecour	.33	.35
Chesterville	1.80	1.90
Coin Lake	..	.18
Condor. O.	.08½	.09½
Con. Kirk.	.48	.49
Cooke Lake	.40	.42
Cres. Kirk.	.16	.18
Cuniptau	.09	.10
Darwin	.27	.30
Dawson White	.33	.36
Demp. Cad.	.31	.33
Den. Nic'l	.41	.43
Desantis. New	.60	.63
Don. Mar.	.30	.33
Doreva	.54	.57
Dunlop New	.12½	.14
Electra P.	.28	.31
Eva Lake	.25	.28
Faulk'h'm	..	.55
Fernland	.22	.25
Franklin	.03	.03½
Frontier	.19	.21
Garnet	.05¼	.06¼
Gate. Pat.	.15	.18
Gilbec	.04½	.05½
Gold Range	.06½	.07
Goldside	.05	.06
Gold Eagle	.67	.70
Golden Gate	.50	.52
Gordon Lebel	.20	.22
Grenadier	.28	.32
Hayes Cad.	..	.14
Hislop	.14	.16
Hutch. Lake	.23	.25
Horseshoe	.06	.07
H. P. Porc.	.42	.44
John Nip.	.06	.07
Kaw Crow	.15	.18
Katherine Lead	.35	.37
Kenecho	.16	.18
Kenricia	.79	.83
Kew Gama	.55	.60
King Kirk.	.03½	.04½
Kir-Vit.	.28	.29
Kirk. Hun.	.03¼	.03¾
Kirk. Gate	..	.22
Kirk. King	..	.20
Lafayette	.04½	.05
Lake Geneva	.80	.82
Lamaque	9.00	9.25
Lardego	.16	.17
McC. R. L.	.16	.18
Madsen	1.13	1.18
Magnet	.11	.13
Magnet C.	.39	.41
Mal. Gold	.45	.48
M. McNeilly	.07½	.09
Martin B.	.73	.76
Margaret	.42	.45
Maritime	.41	.42

UNLISTED MINES—(Continued)

	Bid	Asked
Man. Basin	.03¼	.04½
Matona	.43	.46
Mat. Can.	.19	.20
Moffatt New	.08	.09
McFarlane	.08	.08¾
McC. Webb	.46	.49
McV. Kirk.	.11½	.12½
Mooshla	.65	.69
Mosher	.23	.26
Normetal	1.75	1.80
N. Shores	.04½	.04¾
N. W. Minerals	.16	.18
Oklend	.27	.30
O'Leary	.17	.19
Open. Copper	.50	.52
Oriole	.13½	.14
Ossian	.07½	.08½
Pascalis	.48	.50
Par. Mal.	.32	.35
Payore	.34	.36
Porc. McN.	.11½	.14
Porcupine Unit	.13	.15
Porcupine Lake	.43	.45
Porc. G. R.	.04½	.05½
Porc. Tri.	.23	.25
P. Rouyn	.19	.21
Pelangio	.21	.24
Prop'ary	2.20	2.30
Quemar'c	.21	.23
Que. Man.	1.20	1.25
Rajah	.25	.28
Richmac	.56	.58
Ribago	.04	.04½
Rocanor	.17	.19
Rouyn Reward	.15½	.17
Rubec	.11	.12
Sand River	.32	.34
Schreiber	.10	.12
Shenangio	.27	.30
Silver Valley	.15	.17
Skookum	.18	.20
Siscoe Ex.	.42	.43
Smelter	.06	.07
Spooner	.26	.28
Sturgeon River	.40	.43
Springer	.14	.16
Straw Lake	.21	.23
Tonawan	.09	.10
Uchi Lake	1.10	1.20
Upper Canada	.62	.65
Valloc	.08	.09
Wascana	.26	.28
Williamson	.16	.17
Wesley	..	.18
Westside	.12	.13
W. Red Lake	.03½	.09¾
White Horse	.16	.18
Wendigo	.25	.28
Winoga	.26	.29
Woco	.27	.30
Young D.	.16	.18
Young Shannon	.12	.18
Ypres Cad.	.13	.16

Government Bonds

Dominion of Canada Bonds

Mar. 24, 1937			Bid	Ask.	Approx. Yld.
2½	1 Dec. '37	....	102.50	103.25	.75
2½	15 Oct. '39	....	101.50	102.25	1.60
4	15 Oct. '39	....	105.00	106.00	1.65
3	15 Nov. '39	....	100.50	101.25	1.32
1½	1 June '40	....	99.00	99.75	1.58
4½	1 Sept. '40	....	107.25	108.00	2.08
1	15 Mar. '41	....	97.00	97.75	1.58
5	15 Nov. '41	....	109.75	110.50	2.58
3	15 Oct. '42	....	102.50	103.25	2.37
2½	1 June '43	....	100.25	101.25	2.28
5	15 Oct. '43	....	110.75	111.50	3.05
4½	15 Oct. '44	....	108.25	109.00	3.15
a2½	15 Aug. '45	....	97.25	98.25	2.73
4	15 Oct. '45	....	104.75	105.50	▲3.06
4½	1 Feb. '46	....	108.25	109.00	3.31
3½	15 Oct. '49	....	100.25	101.00	▲3.34
4	15 Oct. '52	....	103.75	104.50	▲3.50
3	1 June '55	....	95.00	95.75	3.31
4½	1 Nov. '56	....	106.50	107.50	▲3.60
4½	1 Nov. '57	....	106.50	107.50	▲3.66
4½	1 Nov. '58	....	107.00	108.00	▲3.67
4½	1 Nov. '59	....	107.25	108.25	▲3.69
a3¼	15 Jan. '61	....	97.25	98.25	3.38
3¼	1 June '66	....	95.50	96.25	3.45
a3	Perp. bds.	....	85.25	86.00	3.49

Dominion Guaranteed Bonds

Canadian National Railways:

			Bid	Ask.	Approx. Yld.
3	1 May '44	....	100.50	101.50	2.76
3	15 Dec. '50	....	94.25	95.25	3.42
3	15 Feb. '53	....	93.25	94.25	3.47
*4½	1 Sept. '51	....	109.75	110.75	3.54
*4½	1 Feb. '56	....	110.25	111.25	3.67
†4½	1 July '57	....	109.75	110.75	3.74
*4¾	15 June '55	....	112.50	113.50	3.73
5	1 Feb. '54	....	112.50	113.50	3.90
*5	1 July '69	....	113.25	114.25	▲3.38
*5	1 Oct. '69	....	114.50	115.50	▲3.75

Provincial Government Bonds

Mar. 24, 1937			Bid	Ask.	Approx. Yld.
New Brunswick:					
4	1 Sept. '54	....	100.00	102.00	3.84
†4½	15 Apr. '61	....	106.00	108.00	3.98
†5	15 Jan. '60	....	110.50	112.50	4.15
Nova Scotia:					
3	2 Sept. '45	....	95.50	97.50	3.34
4½	15 May '43	....	104.50	106.50	3.32
†4½	15 Sept. '52	....	106.50	108.00	▲3.57
†5	1 Mar. '60	....	112.00	113.50	4.08
Ontario:					
*4	1 June '62	....	103.00	104.00	3.75
*4½	1 Sept. '44	....	108.00	109.00	3.14
4½	1 June '50	....	106.75	107.75	3.76
*4½	15 Jan. '62	....	108.00	110.00	3.87
5	15 Oct. '48	....	111.00	112.00	3.71
*5	2 Dec. '60	....	115.00	117.00	3.90
5½	1 July '46	....	113.00	114.00	3.74
Ont. Hydro Comm.:					
3½-4-5	1 Oct. '52	....	99.50	100.25	...
4¾	1 Jan. '70	....	112.50	114.50	3.96
Prince Edward Island:					
3	1 Oct. '45	....	95.50	97.50	3.33
Alberta:					
4	15 Dec. '54	....	62.00	65.00	§
†4	1 Dec. '57	....	63.00	66.00	§
4½	1 Oct. '51	....	74.00	78.00	§
†4½	1 Oct. '56	....	63.00	66.00	§
†5	1 Jan. '48	....	66.00	69.00	§
5	1 Sept. '55	....	64.00	67.00	§
*5	1 Oct. '59	....	66.00	70.00	§
†5½	1 Jan. '47	....	66.00	70.00	§
6	1 Mar. '47	....	68.00	72.00	§
Quebec:					
4	15 Mar. '52	....	103.00	105.00	3.56
4¼	1 Aug. '58	....	106.00	108.00	3.70
4½	2 Jan. '63	....	108.50	110.00	3.88
British Columbia:					
†4	1 Dec. '57	....	91.00	93.00	4.52
*4½	15 Jan. '51	....	98.50	99.50	4.55
†4½	1 Oct. '53	....	95.50	96.50	4.81
†5	15 Jan. '48	....	99.00	100.00	5.00
5	1 Sept. '53	....	99.25	100.50	4.95
5½	1 Feb. '45	....	100.50	101.50	5.25
6	15 Feb. '47	....	102.00	103.00	5.60
Manitoba:					
4	2 Jan. '50	....	83.00	85.00	5.65
†4	1 Dec. '57	....	83.50	85.50	5.13
†4½	15 Dec. '56	....	86.00	88.00	5.50
†5	15 June '54	....	91.50	93.50	5.61
*5	2 Dec. '59	....	94.50	96.00	5.30
5½	1 Oct. '55	....	90.50	92.50	6.18
6	1 Apr. '47	....	93.00	94.50	6.74
Saskatchewan:					
4	15 Aug. '53	....	81.00	83.00	5.59
4	1 Nov. '60	....	77.50	79.00	5.60
*4½	2 July '45	....	88.00	89.50	6.10
†4½	1 Oct. '51	....	89.00	91.00	5.38
†4½	15 Mar. '60	....	85.50	87.00	5.50
5	1 Aug. '58	....	87.50	88.50	5.95
†5½	15 Nov. '46	....	91.00	93.00	6.46
5½	1 Oct. '52	....	90.00	92.00	6.30
6	15 Mar. '52	....	94.00	95.50	6.47

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. aPayable N.Y. ‡Exempt from Dominion income tax. ♦Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%. ●Calculated to maturity, although callable prior to that date.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st March, 1937, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 1st day of April, 1937, to shareholders of record of the 20th March, 1937.

By Order of the Board.

DUDLEY DAWSON, General Manager.

Toronto, 11th February, 1937.

Imperial Bank of Canada

DIVIDEND NO 187

Notice is hereby given that a Dividend of two and one-half per cent (2½%) has been declared for the quarter ending the 30th April, 1937, payable at the Head Office and Branches on and after Saturday, the First day of May next, to shareholders of record of 31st March, 1937.

By order of the Board.

H. T. JAFFRAY, General Manager.

Toronto, 17th March, 1937.

San Antonio Gold Mines Limited

(No Personal Liability)

Interim Dividend Number Seven

Notice is hereby given that a dividend of seven cents (7c) a share on the outstanding capital stock of the company has been declared, payable April 20th, 1937, to shareholders of record at the close of business on the 1st day of April, 1937.

By order of the Board.

M. SNYDER, Secretary.

Winnipeg, March 10, 1937.

Brandram-Henderson Limited

TWENTY-NINTH ANNUAL REPORT

For the Year Ended December 31st, 1936

ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE

Notice is hereby given to the Shareholders of Brandram-Henderson Limited that the Annual General Meeting of the Shareholders of Brandram-Henderson Limited will be held in the Board of Trade Building, 231 Hollis Street in the City of Halifax, Province of Nova Scotia, Canada, on Wednesday, the 7th day of April, 1937, at the hour of 11 o'clock in the forenoon, for the following purposes, that is to say:

1. To receive and consider the balance sheet, general statement of income and expenditure, statement of surplus or deficit, reorganization account, report of the Auditors and report of the Directors of the Company for the financial period ended December 31st, 1936.
2. To consider and if deemed fit to sanction, approve, ratify and confirm all the acts, transactions and proceedings of the Directors and Officers of the Company from the last Annual Meeting of Shareholders up to the date of such Meeting.
3. To elect Directors.
4. To fix the time and place of the first Meeting of the newly elected Directors in accordance with the By-laws of the Company.
5. To appoint Auditors and to authorize the Board of Directors to fix their remuneration.
6. To transact such other business as may properly come before the Meeting.
7. To adjourn the Meeting from time to time and from place to place as the Meeting may see fit to determine.

By order of the Board of Directors,

B. V. ATKINSON, Secretary.

Montreal, March 20th, 1937.

IMPORTANT

Only holders of the new No Par Value Shares will be entitled to vote at this meeting. For the convenience of those who have not yet turned in their old share certificates, the Company's Transfer Books are being kept open until March 31st. Those who have not already done so are urged to send in their old share certificates or bonds immediately, so that they may qualify for this meeting.

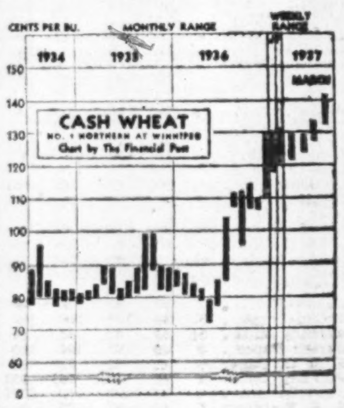
A. J. Pattison, Jr. & Co. Limited
Established 1907
For thirty years we have rendered a Standardized Service to
BANKS, INSURANCE AND TRUST COMPANIES, BROKERS, INDUSTRIAL CORPORATIONS AND INDIVIDUALS
IN BUYING AND SELLING INDUSTRIAL AND PUBLIC UTILITY STOCKS AND BONDS
Royal Bank EL. 5101 TORONTO

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 22
U. S. Dollar, High	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]
Low	.99[illegible]	.99[illegible]	.99⅞	.99⅞	.99[illegible]	.99[illegible]
1936 High	1.00	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.00[illegible]
Low	.99½	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.00¼
U. K. pound	4.88½	4.88½	4.88	4.88	4.88	4.87[illegible]
Australia	3.91	3.91	3.90½	3.90½	3.90½	3.90[illegible]
Austria	.1872½	.1871¾	.1870½	.1871¼	.1871¼	.1871
Belgium	.1684½	.1684	.1682⅛	.1673½	.1683	.1682¼
Brazil	.0615	.0612	.0610	.0610	.0610	.0610
Czechoslovakia	.0349	.0349	.0348¾	.0348¾	.0348¾	.0349½
Denmark	.2182¼	.2181¼	.2179¼	.2180	.2179	.2179
France	.0459¼	.0458¼	.0458½	.0458¾	.0458¾	.0458½
Germany	.4021¾	.4020½	.4018	.4019¼	.4019¼	.4018
Greece	.0090	.0090	.0090	.0090	.0090	.0090
Holland	.5462¼	.5462½	.5458¼	.5464¾	.5465¾	.5465
Hungary	.1974¼	.1973¾	.1972½	.1973¼	.1974¼	.1973
India	.3692¾	.3691½	.3689½	.3690½	.3689½	.3688½
Italy	.0526	.0526	.0525¾	.0525¾	.0525¾	.0525¾
Japan	.2852	.2850¼	.2849⅛	.2850¼	.2849¼	.2849
Jugoslavia	.0234	.0233¾	.0233¾	.0233¾	.0233¼	.0234
New Zealand	3.94	3.93	3.93½	3.93½	3.93½	3.92½
Norway	.2455¼	.2455	.2453	.2453¾	.2452¾	.2451½
Poland	.1897	.1898	.1896	.1896	.1895	.1895
South Africa	4.87½	4.87½	4.87	4.87	4.87	4.86¾
Sweden	.2520¼	.2519	.2516¾	.2517¾	.2516¾	.2515½
Switzerland	.2278¼	.2276½	.2275¼	.2275½	.2275½	.2274½
Hong Kong	.3034	.3036	.3034¼	.3035¼	.3034¼	.3039

Wheat Prices



(Cash Quotations)

	For Week Mar. 23 High	Low	Prev. Week High	Low
1 Man. Hard	1.41⅛	1.35¾	1.35⅛	1.30⅞
1 Northern	1.40⅜	1.35	1.34⅛	1.29⅝
2 Northern	1.38⅞	1.33½	1.32⅜	1.27⅞
3 Northern	1.35⅜	1.29¾	1.28⅝	1.24⅛
4 Northern	1.31⅞	1.26½	1.24⅛	1.19⅝
5 Wheat	1.26⅞	1.21½	1.20⅛	1.15⅜
6 Wheat	1.25⅜	1.20	1.19⅝	1.15⅛
Feed Wheat	1.06⅞	1.01⅛	1.01⅛	.96⅝
Vancouver: Week to Mar. 22:				
1 Northern	1.38¾	1.33⅝	1.38¾	1.27½

Competitive Export Prices: Mar. shipment.

Week to Mar. 19	High	Low
No. 1 North. (Vanc.)	1.61½	1.51¾
No. 2 North (Atlan.)	1.54	1.49½
No. 1 North (afloat)	1.57⅞	1.48¾
No. 2 North. (Vanc.)	1.57	1.47⅛
West Australian (afloat)	1.40¼	1.35¾
Australian	1.41	1.36⅛
Argentine Rosafe	1.33½	1.28⅞
Indian (new crop)†	1.35	1.32¼

†May-June shipment.

Winnipeg Grain Futures

Week to Mar. 23, 1937

Crop year from Aug. 1, 1936 High	Low		Open Mar. 17	High for week	Low for week	Close Mar. 23
		Wheat				
1.41⅝	1.05⅝	May	1.35	1.41⅝	1.32¼	1.39¼
1.39	1.03¾	July	1.33½	1.39	1.29½	1.36¼
1.27½	1.04⅛	Oct.	1.22½	1.27½	1.19⅛	1.25¼
		Oats				
.58	.42¼	May	.56⅜	.57⅛	.55⅝	.56½
.55⅛	.43⅝	July	.53½	.54	.53	.53⅛
		Barley				
.88⅞	.50⅞	May	.81⅞	.82⅞	.79¾	.80⅝
.78⅞	.56¾	July	.76½	.78⅛	.75	.76½
.74	.66⅝	Oct.	.70⅝	.74	.69⅝	.71
		Flax				
1.79	1.60½	May	1.77	1.79⅞	1.74½	1.78
1.80	1.63¼	July	1.76⅝	1.80	1.74	1.78
1.79	1.74½	Oct.	1.79	1.79	1.74½	1.76
		Rye				
1.14⅞	.62⅝	May	1.09	1.11	1.05⅝	1.08⅛
1.12⅛	.78¼	July	1.06½	1.09⅞	1.04⅝	1.06¾
.99¼	.83⅜	Oct.	.95½	.99¼	.93⅜	.96⅝

DIVIDEND NOTICES

Canada Iron Foundries Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of 2½% on the $100.00 par value 6% non-cumulative Preferred Shares of this Company has been declared for the half year ended December 31st, 1936, payable April 30th, 1937, to Holders of record April 15th, 1937.

By order of the Board.

M. S. GROGAN, Secretary-Treasurer.

Dated at Montreal, March 16th, 1937.

The Steel Company of Canada, Limited

Preference Dividend No. 103

Notice is hereby given that a dividend of forty-three and three quarters cents (43¾c.) per share on the Preference Shares of the Company has been declared for the quarter ending March 31st, 1937, payable May 1st, 1937, to shareholders of record at the close of business April 7th, 1937.

By Order of the Board,

Hamilton, Ontario, March 10, 1937. H. S. ALEXANDER, Secretary.

The Steel Company of Canada, Limited

Ordinary Dividend No. 81

Notice is hereby given that a dividend of forty-three and three quarters cents (43¾c.) per share on the Ordinary Shares of the Company has been declared for the quarter ending March 31st, 1937, payable May 1st, 1937, to shareholders of record at the close of business April 7th, 1937.

By Order of the Board,

Hamilton, Ontario, March 10, 1937. H. S. ALEXANDER, Secretary.

DIVIDEND NOTICES

Provincial Paper Limited

Notice is hereby given that regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable April 1st, 1937, to shareholders of record as at close of business March 15th, 1937.

W. S. BARBER, Secretary-Treasurer.

Toronto, Ontario.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per Share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st April, 1937, to Shareholders of record on the books of the Company at the Close of business on 13th instant.

By order of the Board,

WALTER GILLESPIE, Manager.

4th March, 1937.

NOTICE

Applications for Fiscal Agent

The Town of Fort Erie invites applications from persons or corporations to act as fiscal agents of the Municipality in the proposed scheme of refunding its capital debt; applicants to state the terms under which they will act in conjunction with the Auditors and Solicitor of the Municipality.

Applications to be filed before April 1st, 1937.

WM. C. TAIT, Clerk, Fort Erie North, Ontario.

Week in Wheat

World Buyers Supply New Market Strength

Margin of Canadian Wheat Decreases as Foreign Prices Steadily Advance — Book Orders Here Again

From Our Own Correspondent

WINNIPEG.—The steadily growing strength in the Winnipeg wheat market is not a local phenomenon. Impulses for advances come from outside of Canada. Although Canadian wheat remains the highest priced on the international market, its margin over other wheats is steadily decreasing.

With Argentina still supplying the great bulk of the current world requirements for export wheat, shipments of Canadian grain continue at a small rate. But an encouraging amount of definite booking for forward shipment is going on, and houses with export connections are accumulating futures. Willingness of some overseas buyers to contract for October futures has been a matter of some surprise. For October to be selling on today's market within 11 cents of the July future, when an actual scarcity of wheat in July is possible, is considered as indicating a remarkable degree of strength in the market.

Watching the Weather

THE wheat market may be said to be in a period of transition between two major influences. European demand for current supplies is still the most important influence, but weather affecting growing crops will before long be recognized as a major factor.

A sign of weather influence at work is the growing strength of October wheat in Winnipeg. Weather in western Canada is not yet a factor, but weather in the winter wheat belt in the United States is. Official reports indicate a reasonably satisfactory condition but one very susceptible of damage if rains are not received early.

• • •

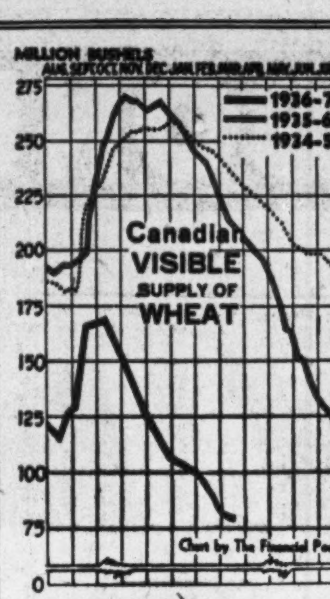
Little Speculation

ONE of the remarkable features of the recent advance in wheat prices has been the small degree to which it has been accompanied by speculative buying on the part of the public. Speculative holdings of wheat are probably smaller now than some months ago. They are believed to have been transferred to interests carrying it against actual export business to be done after the opening of navigation.

• • •

Canadian Prospects

EVERY bit of precipitation during the next few months will be important to the welfare of the crop in the Canadian West. Moisture is, in the great majority of years, the limiting factor in western Canada's production. This year great areas, including the districts drought stricken in the past few years are entering the seeding season with slight sub-soil moisture. Early spring rains will be essential. In isolated districts in southern Alberta and southern Saskatchewan some work is already in progress on the land.



MARKING TIME

Though prices have been boiling in Canadian wheat markets in the last 10 days, exporting has not yet been resumed on a large scale. But with the tail-end of the big Argentine crop now in sight and a possible world shortage threatened before the next new wheat is ready in the Southwestern States, sharp weekly changes are again to be expected soon in Canada's wheat holdings.

Details of visible export clearances in bushels are as follows:

Week of March 19	Week Previous	Last Year
85,212,000	86,319,000	212,762,000
Export Clearances*		
Week of March 19	Week Previous	Last Year
1,491,515	1,799,677	2,813,181

*Plus U. S. imports.

Bond Sales

Halifax

City of Halifax has sold $24,406 of 3% five-year installment bonds and $7,539 of 3½% 10-year installment bonds to Dominion Securities Corp. The price paid for the 3% bonds was 98.38 and for the 3½% bonds 97.48. In addition there was an issue of $125,000 of 3½% 10-year serial bonds which was not awarded. Dominion Securities bid 97.48 for this issue.

The only other bid for the bonds was by a syndicate headed by Wood, Gundy & Co. which bid 98.14 for the entire block.

St. Lawrence Meeting Adopts $50 Price

From Our Own Correspondent

MONTREAL.—St. Lawrence Corp. and St. Lawrence Paper Mills annual general meetings were of a routine character with directors re-elected and reports for 1936 approved.

In reply to a question regarding the price of newsprint it was indicated that the company would probably follow the rate of $50 per ton established by other leading units of the industry.

Nova Scotia Light Sells Rest of Preferred

From Our Own Correspondent

MONTREAL.—Royal Securities Corp. has sold the balance of the preferred stock not taken up by shareholders of Nova Scotia Light and Power. The amount involved is $300,000 par value, the stock being sold to the public by the underwriters at $105 per share.

Expect Few Changes In 1938 Car Models

Demand So Keen, Further Stimulation Considered Unnecessary

NO DELIVERY DELAY

Detroit automobile experts anticipate few sweeping changes when the 1938 models are announced this fall. Of course, it is expected that there will be sufficient differences in the body designs to make the new lines stand out but fundamentals like engines, chassis, and brakes, are expected to remain "as is."

No Big Changes

In prosperous times when the public is clamoring for cars manufacturers feel that they should be permitted to capitalize on the improvements already made. And they are particularly anxious to so capitalize after the heavy spending on new designs during the recent depression.

It is expected that there will be more cars switching to the automatic transmission and that eventually the gear shift lever will entirely disappear. There is no immediate prospect, however, for the much mooted rear-engine car.

More plastics will be used for interior trim and gadgets and there will be more colors offered in these plastics. It is believed that a greater percentage of de luxe and customs built models will be available in keeping with the present improved purchasing power.

Owing to the increasing cost of raw materials, particularly steel, there may be a tendency to cut down weight in order to keep prices down somewhere near their present level.

Higher Prices in Fall

There, is however, some prospect of a price increase this fall and not merely the minor adjustments that have taken place this spring. Any fear of an immediate price increase, however, is discounted. Materials going into current models were purchased or ordered for the most part months before recent sharp increases in raw materials.

No Delivery Delay

So far, apparently, the serious strikes in the motor car industry in United States have not greatly affected production schedules over monthly periods. By companies, the production story is entirely different with General Motors, the first hit by strike, seriously handicapped in January and February and Chrysler expected to suffer similarly this month.

In so far as consumers are concerned, however, it is not expected that there will be any great delay in securing spring cars. This also applies to Canada, where most manufacturers depend upon parent American plants for certain vital parts.

It is a well-known fact that actual production in the big motor car factories only reaches maximum capacity for a relatively few number of months and during the balance of the year main activities are concentrated on the designing and perfecting the next year's models. This being the case, a strike of no more than three or four weeks duration will mean a delay in production during the time of the strike naturally, but should not affect the total output over a six months period.

Fine Paper Price Advance Is Seen

From Our Own Correspondent

MONTREAL. — Canadian fine paper manufacturers are reported to have notified printers and other large users of a pending price increase. While particulars are not available, it is understood that the increase will average about $10 per ton.

An increase of this proportion would be particularly beneficial to the earnings of Howard Smith Paper Mills and subsidiaries, the Rolland Paper Co. and Provincial Paper Co., the principal fine paper manufacturers in the Dominion.

List Canadian Canners

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange announces the listing of the new 5% cumulative first preferred stock of Canadian Canners. The listing, which replaces the old 6% preferred, covers 194,240 new shares of a total authorized issue of $216,385 shares.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$8.00	$8.25	$6.65
Hogs	9.25	8.75	9.25
Copper, lb	.1625	.1625	.09¼
Cotton, lb.	.1455	.1454	.1146
Rubber, lb.	.2463	.2331	.1606
Sugar, raw, lb.	.0345	.0355	.0358
Silk, lb.	2.25	2.15	1.72
Wheat (Man.) bu.	1.39¾	1.32⅞	.81¼
Coffee, lb.	.09⅜	.09⅜	.06¼
Hides	.16	.15½	.10¾

Weekly Indices

	Latest week	Previous week	Same week last yr.
N. Y. Annalist	144.4	143.2	125.3
Fishers'	93.7	92.9	82.5
N. Y. Journal of Comm.	92.6	91.7	79.3
Crumps (Brit.)	82.8	81.8	68.4
U. S. Labor	81.6	81.6	79.7
Canada (D.B.S.)	83.8	83.3	72.5

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Feb.)	81.8	81.6	80.1
W'sale (Feb.)	82.9	81.3	72.5
United States (Jan.)	138.4	134.0	128.3
Gt. Brit. (Jan.)	102.9	100.8	91.8

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 = 100 base. U. S. is Annalist 1913 base.

Base of price quotations is as follows. **Cattle** — Steers, good, over 1,050 lb., top price. Toronto: **Copper**-electrolytic, New York: **Silk**—Japanese, 13-15, New York: **Sugar** — 96 degrees centrifugal c/f New York: **Wheat**—No. 1 Man. North Ft. W.-Pt. A Basis: **Hides** — No. 1 packer light native cows: **Hogs**—select bacons, Toronto.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance.

FINANCING WANTED

WANTED PRIVATE FUNDS AT 4% TO establish new construction company and provide mortgage for the construction of 100 modern homes in North Toronto. Box 39, The Financial Post, Toronto.

Stamps Urgently Wanted

WE PAY 10/- PER LB. ON ALL USED Stamps (any kind). Collections wanted. Send parcels to TRYER & COMPANY LIMITED, 77 Overstone Road, Northampton, England, and receive cash by return.

Accountant - Executive

YOUNG MAN, 29, NOW EMPLOYED, IS interested in making change to position with some firm offering greater future. Ten years office and selling experience. Good character, personality, first class references. Box No. 35, The Financial Post, Toronto, Can.

FOR SALE

AT EASY TERMS AND AT VERY LOW price, a first class hotel with 160 rooms, beautiful dining room and sample rooms. Hotel running to 90% capacity for last six months. Four story brick and concrete building covering 110 feet frontage running 200 feet in depth from street to street, in a leading city Maritime Provinces. Apply Box 37, The Financial Post, Toronto.

NOTICE

IN THE MATTER OF debentures issued by the City of Edmonton, Alberta, Canada

NOTICE is hereby given to all parties holding City of Edmonton debentures that the Council of the said city has made application to the Board of Public Utility Commissioners of Alberta for the holding of an enquiry into the financial affairs of the said City, in accordance with the provisions of Part IV of the Public Utilities Act of Alberta.

AND NOTICE is further given that the Board has fixed Thursday, the 15th day of April, 1937, commencing at 10.00 o'clock in the forenoon, in the Council Chamber, Civic Block, Edmonton, as the time and place for the opening of such enquiry.

(Signed) G. A. THIBAULT, Secretary,

Alberta Board of Public Utility Commissioners, Administration Building, Edmonton, Alberta.

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Robin Hood Oats
Robin Hood Mills Limited
MILLS AT MOOSE JAW SASKATOON CALGARY
SALES OFFICES
EDMONTON - VANCOUVER
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Toronto, 4 Million Bushels
Sarnia, 3 Million Bushels
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Toronto Elevators Ltd.
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Grain Merchants Shippers & Exporters
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JAMES RICHARDSON & SONS Limited

Toronto Mart Opens Trading On March 30

Telephone Switching to Consume Easter Week-end

EDUCATE WORKERS

Actual trading operations are scheduled to start in the new Toronto Stock Exchange building on Tuesday, March 30, although the official opening ceremonies took place March 20.

Immediately following the close of trading in the present quarters on Thursday, March 25, dozens of Bell Telephone workers will start to switch telephone connections of every member firm to the lines into the new building.

The switching of 'phone connections is expected to take the greater part of the working hours of the Easter week-end, including Good Friday, Saturday and Easter Monday. Every member broker's telephone wires must be disconnected from the two trading floors now operated separately and reconnected with the new building. As there are hundreds of new connections to be wired, the operation will be one of the most complex of its kind ever undertaken in Canada.

London to Signal

Plans for the physical opening of trading call for an initial transaction between H. B. Housser, president, and Norman C. Urquhart, vice-president of the Exchange, an instant before commencement of public business. The signal for the start of trading operations is to be received in Toronto by cable connection from the London Stock Exchange.

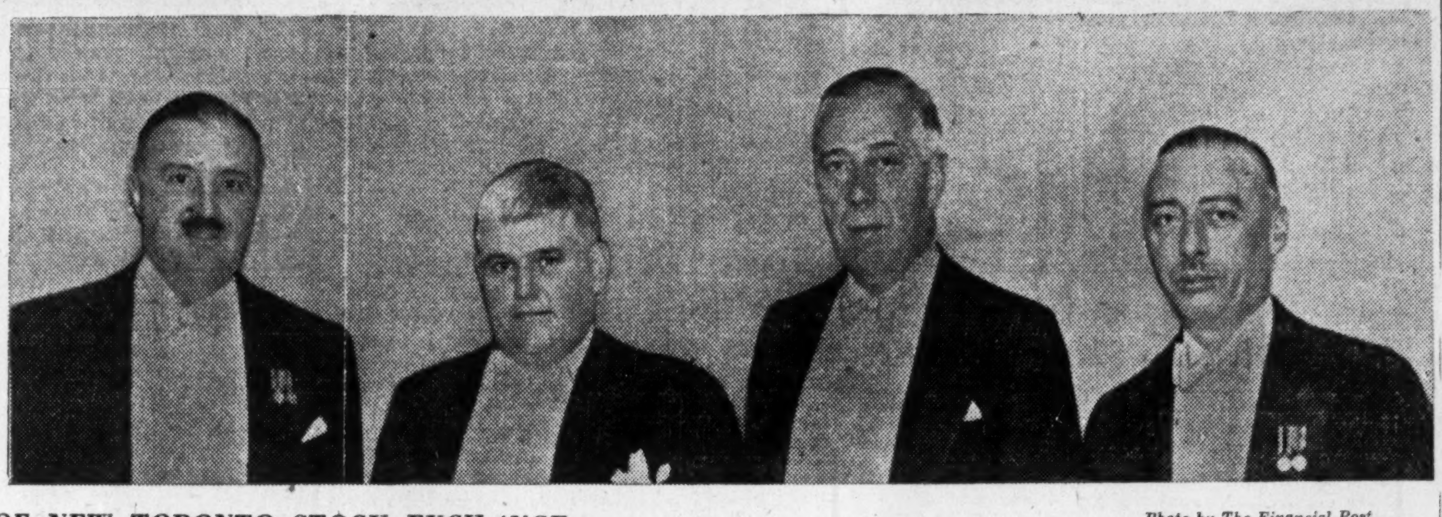
Part of the preparation for the business opening consists of classes for traders and for Exchange employees who must learn the new technique of mechanized operations. Visitors to the new building are barred while the educational work proceeds. One of the features of the new structure is a classroom with arm-desk chairs, chalk, blackboards and all, for the training of workers in the building.

Congratulations from around the earth were received by the Exchange on the occasion of the opening celebrations on March 20. Following a luncheon held in the members' dining room of the new building, hundreds of guests went through the structure in the afternoon to see with their own eyes the structural and mechanical marvels described by one nationally known magazine editor as "super-creation."

Guests at Banquet

The celebrations culminated in a banquet for some 800 guests including representatives of industry, finance, journalism and stock exchanges in the United States and Canada. Principal addresses were delivered by Dr. H. J. Cody, president of the University of Toronto; Hon. Dr. Herbert A. Bruce, Lieutenant-Governor of Ontario; Charles R. Gay, president of the New York Exchange; H. B. Housser, president of the Toronto Stock Exchange; Norman C. Urquhart, vice-president of the Toronto Stock Exchange. Harold J. Child, chairman of the Montreal Stock Exchange; and John M. Godfrey, Ontario Securities Commissioner.

Other head table guests included: W. D. Robbins, Mayor of Toronto; J. E. McKenna, chairman of the Montreal Curb Market; R. D. Baker, president, Winnipeg Stock Exchange; Hon. D. A. Croll, Ontario minister of public welfare; Hon. Dr. J. A. Faulkner, Ontario minister of health; Kenneth S. Templeton, president, Chicago Board of Trade; C. W. L. Johnson, president, Baltimore Stock Exchange; Harvey T. Hill, executive vice-president, Chicago Stock Exchange; F. E. Hall, president, Vancouver Stock Exchange; J. J. Gibbons, president Toronto Board of Trade; Eugene R. Tappen, secretary, New York Curb Exchange.



CELEBRATING OPENING OF NEW TORONTO STOCK EXCHANGE

Photo by The Financial Post.

On March 20, official ceremonies in connection with the opening of the new Toronto Stock Exchange building culminated in a banquet at which these photographs were taken especially for The Financial Post.

Pictured in the top row above, left to right, are E. Gordon Wills, member of the managing committee of the Exchange; Robert Cassels, of E. A. Pierce & Co., New York; H. B. Housser, president of the Exchange, receiving felicitations from Charles R. Gay, president of the New York Stock Exchange; Frank G. Lawson, secretary of the Exchange and chairman of the building committee; P. R. Gardiner, of Gardiner, Wardrop & Co., Toronto.

Bottom row, left to right, shows Col. G. G. Michell, a past president of the Toronto Stock Exchange; R. B. Duggan, of the managing committee; Norman C. Urquhart, vice-president of the Exchange; T. A. Richardson, a member of the managing committee; and Gordon W. Nicholson, a past president and also on the managing committee.

United Distillers Pays Dividend

United Distillers of Canada, Vancouver, has declared a dividend of 10 cents a share on its common stock, payable April 15, 1937, to shareholders of record March 31, 1937. This will be the first dividend which this company has ever paid on its stock.

Profits for the three months ended Dec. 31, 1936, were $141,420. For the year ended Sept. 30, 1936, a loss of $143,594 was experienced.

A capital reduction of $226,640 has been made effective through issue of supplementary letters patent dated Feb. 13, 1937. This was made necessary because of a settlement of United States Government claims for the same amount. Terms of the settlement required payment of $50,000 in cash and 25 cents a gallon for all exports to the United States, with payment to be completed by May, 1938. An income tax credit of $30,000 is expected from this settlement.

Tramways Co. Faces Change

Montreal Proposes Revision of 1918 Franchise Contract

From Our Own Correspondent

MONTREAL. — Proposed revision of the contract between the city of Montreal and the Montreal Tramways Co. is embodied in the Montreal Bill to be considered by the city council for presentation to the Provincial Government.

The city wants to set up a commission headed by a judge of the Superior Court to revise the contract. Two other members would be appointed, one by the city and one by the company.

It is proposed that this commission will investigate the operations and the financial transactions of the company since the contract was made in 1918. As soon as the report is drawn, not later than September 1, 1937, the city will ask the Lieutenant-Governor-in-Council to convene a special session of the Legislative Assembly in order to receive the report, a new contract draft, and recommendations of the city council.

Another clause in the draft bill provides that the tramways company shall, under instructions from the city, keep its tracks free from ice and snow and the city may, at its option, remove the whole or part of the ice and snow from any street on which street cars or buses are running.

At present the supervisory Montreal Tramways Commission is in arrears on the annual rental payable to the city. As regards these arrears, the draft says that "out of the reserve fund created by the company for depreciation of autobuses, a sum of $600,000 shall be paid to the city within 30 days from the date of the coming into force of this Act, such sum to be credited by the city to the account of arrears of capital and interest due to it by the company."

C. N. R. Rejects Streamline Units

From Our Own Correspondent

MONTREAL. — Light-weight equipment is not included in the Canadian National Railway's building programme for this year. Most of the $19 millions to be spent this year for new equipment will go into cars of the heavy type, according to S. J. Hungerford, president of the system.

Light equipment is only appropriate to branch lines and less than carload lots. Streamline trains were not adaptable, he stated, because they were units—cars could not be added or subtracted.

Expenses incurred in operating the Commission will be borne half by the city and half by the tramways company.

Independent Foresters Shows Higher Assets

Increases of $360,000 in total assets and $136,000 in surplus feature the 62nd annual report of the Independent Order of Foresters. At the end of 1936, assets amounted to $44.9 millions and surplus $1.9 million.

Income from premiums and interest advanced $100,000 during 1936 to $5.4 millions, while payments to members and their beneficiaries declined $200,000 to $3.8 millions. Of the latter total, almost two thirds was in death claims.

Comparative figures of main balance sheet items are as follows:

	1936 $	1935 $
Bonds (market value)	25,060,257	23,988,312
Real estate (appraised value)	6,505,427	6,300,550
Policy loans	5,937,805	6,159,081
Mortgages	5,278,414	5,813,335
Total assets	44,910,605	44,552,103
Policy reserves	39,680,935	39,857,568
Special reserves	2,000,000	1,500,000
Surplus	1,898,422	1,762,323

Loblaw Groceterias Profits 16.25% Higher

Loblaw Groceterias Co. continues to show sales and profits higher than for the corresponding period of last year. For the four-week period ended March 6, 1937, profits were up 20.45% and sales 18.82%.

For the 40 weeks of the current period sales were up 16.39% and profits rose 16.25%.

Sales and Earnings

4 weeks to Mar. 6:	1937 $	1936 $	Incr. %
Sales	1,565,468	1,317,496	18.82
Profits	84,348	70,025	20.45
40 weeks to Mar. 6:			
Sales	14,369,265	12,345,716	16.39
Profits	723,218	622,101	16.25

Int. Petroleum Output Shows Marked Increase

Daily average production of International Petroleum Co. for February was 98,940 barrels, representing a sharp increase over the average daily production of 92,575 barrels throughout 1936.

Revenue Down For Nipissing

Company Hopes Michigan Fields to Increase 1937 Income

Annual report for Nipissing Mines Co., a holding company owning the entire stock of Nipissing Mining Co., reflects the fact that operations in the fiscal year ended Dec. 31, at Cobalt, were at a minimum, and covered the milling of low-grade clean-up ore and shipping the remainder of the residue dump.

Earnings per share at 24 cents compared with 41 cent earnings the previous year.

Contrary to general expectations, production from the Michigan oil fields decreased somewhat in 1936, accounting for the reduced income from dividends.

In the balance sheet as at Dec. 31, 1936, Nipissing Mines shows cash in the bank of $7,726. Accounts payable amount to $2,103.

Nipissing Mining Co. has, judging from the market valuation shown in the balance sheet, some 1.5 million shares of Beattie Mines stock.

Following is report of Nipissing Mines for 1936 and 1935:

Income and Expenditure
Years Ended Dec. 31

	1936 $	1935 $
Divds. from Nipissing Mining Co.	310,000	470,000
Less: Trans. & reg. fees	7,851	6,784
Admin. expenses	2,561	2,767
Remun. to dir. & sec.	1,225	1,830
Legal advice	......	175
Net profit	298,363	458,464
Less: Dividends	300,000	450,000
Surplus for year	*1,637	8,464
Add: Prev. surplus	7,259	*1,551
Balance forward	5,622	7,259
Earns. Per Sh. & Divd. Record:		
Earned	$0.248	$0.415
Paid	0.25	0.37½
Shares Outstand. as at Dec. 31:		
Com $5 par value	1,200,000	1,200,000

*Deficit.

Following is report of Nipissing Mining Co. for 1936 and 1935:

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Sales	158,390	969,677
Add: Inventories at yr. end	12,960	99,045
Invent.	171,350	1,068,722
Less at Jan. 1	99,045	536,615
Gross value Nip. prod.	72,305	532,107
Less: Oper. expenses	89,936	115,936
Tax reserve	10,000	83,000
Net oper. earnings	*27,631	333,171
Add other income:		
Bond interest	56,787	44,411
Dividends received	126,574	131,577
Recov. on leaser ore	......	13,638
Other income	763	830
Int. recd. less paid	854	95
Net profit	157,347	523,922
Less approp.: Dividends paid	310,000	470,000
Surplus for year	*152,653	53,922
Add: Prev. surplus	2,578,135	2,580,298
Profit on sale of shs.	22,454	26,829
Less: Amts. writ. off outside properties.	73,023	82,914
Surplus adjust.	2,074	......
Bal. carried forward	2,372,839	2,578,135
Earns. per Sh & Divd. Record:		
Earned	$52.93	$29.57
Paid	$12.40	160.00

*Loss or deficit.

WHY NOT ADD 15% to 25% to NET-PROFIT?

Let the Underwood Sundstrand Figuring Machine do this for you —the "Imperial Life" ought to know!

Commenting on the performance of the Sundstrand, The Imperial Life Assurance Company of Canada write: "For the past twelve years we have used a large number of Underwood Sundstrand Adding Machines both at the Head Office and Branches. We have found the machine to be most satisfactory, speedy, and simple of operation."

(Signed) J. M. PAULINE
Assistant Secretary

. . . proved by actual tests in leading business offices everywhere . . . tests that we'll gladly make for you, *without obligation*, on your own work in your own office as soon as you say the word.

ANYONE can see the reason for Underwood Sundstrand speed. It's the *condensed* keyboard . . . the ten numeral keys that are operated by the fingers of *one hand* . . . fingers that seldom travel more than an inch or two to depress a key.

Underwood Sundstrand speed is not theory. It is fact

Underwood Sundstrand Machines add, subtract, multiply and divide. They not only do a complete figuring job 15% to 25% faster but they're easier on the operator. One hand looks after the keyboard — the other hand, and the mind and eye, are on the work.

Underwood Elliott Fisher Limited • Toronto, Branches in all Canadian cities. J. J. Seitz, Pres., J. L. Seitz, Vice-pres.

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10 NUMERAL KEYS - that's all

Toronto's new Stock Exchange Building — the most modern of its kind in the world — is a further indication of the city's growth as a great financial centre.

The House of Seagram is proud to welcome such a truly imposing next door neighbor, and takes this opportunity of extending sincere congratulations to the President, Directors and Members of the Toronto Stock Exchange on the confidence they have shown in the stability of our country, and faith in its future, by the erection of such a magnificent edifice.

The House of Seagram

Canadian Pacific Railway Company

FIFTY-SIXTH ANNUAL REPORT

OF THE

Directors of Canadian Pacific Railway Company

FOR THE YEAR ENDING DECEMBER 31, 1936

To the Shareholders:

The accounts of the Company for the year ended December 31, 1936, show the following results:—

INCOME ACCOUNT

Gross Earnings		$138,562,762.76
Working Expenses (including taxes)		115,251,651.83
Net Earnings		$ 23,311,110.93
Other Income—Net	$10,198,522.23	
Provision for depreciation of Ocean and Coastal Steamships	3,567,151.00	
		6,631,371.23
		$ 29,942,482.16
Fixed Charges		23,913,298.24
Balance transferred to Profit and Loss Account		$ 6,029,183.92

PROFIT AND LOSS ACCOUNT

Profit and Loss Balance December 31, 1935		$139,504,688.15
Balance of Income Account for the year ended December 31, 1936		6,029,183.92
		$145,533,872.07
Deduct:		
Amount credited investment reserve being equivalent to advances made to Minneapolis, St. Paul & Sault Ste. Marie Railway Company to make up deficiency in amount available to meet interest obligations for year 1936 guaranteed by Canadian Pacific Railway Company	$ 3,659,645.32	
Loss on lines abandoned and on property retired and not replaced	3,357,399.34	
Miscellaneous—Net Credit	Cr. 15,875.98	
		7,001,168.68
Profit and Loss Balance December 31, 1936, as per Balance Sheet		$138,532,703.39

Note—Subsequent to the end of the year, a dividend of 1 per cent. on the Preference Stock, amounting to $1,372,569.21, was declared from the earnings of the year 1936, payable April 1, 1937.

The balance of Income Account resulting from the operations of the year 1936 available for transfer to Profit and Loss Account was $3,197,100 greater than in 1935.

Railway Earnings and Expenses

The results of railway operations in 1936, compared with 1935, were as follows:

	1936	1935	Increase
Gross Earnings	$138,562,763	$129,678,905	$8,883,858
Working Expenses (including taxes)	115,251,652	107,281,381	7,970,271
Net Earnings	$ 23,311,111	$ 22,397,524	$ 913,587

In 1936 working expenses, including taxes, amounted to 83.18% of gross earnings, as compared with 82.73% in 1935. Excluding taxes the ratio was 80.13% as against 79.56% in 1935.

Gross earnings showed an improvement each month over the corresponding month of the previous year, the total increase being $8,883,858 or 6.9%. The increase during the first three quarters of the year was 8.6%, whereas in the last quarter it was only 2.6%. The less favourable showing in the last quarter was due in large measure to the extraordinarily small grain crop which followed the severe drought in Western Canada. During the year wheat which had been carried in storage was exported freely, and, although the new crop was less than in the previous year, the earnings from grain and grain products were slightly higher.

Passenger earnings increased $509,708 or 3.4%. Effective June 1, the passenger surcharges, included as part of sleeping and parlor car fares, were eliminated, and the basic fare for passengers in coaches was reduced from 3.45c. to 3c. per mile. All through fares between points competitive with United States railroads were also adjusted to meet the reductions ordered in Eastern United States by the Interstate Commerce Commission.

Freight earnings increased $7,669,508, or 7.8%, gains being recorded in practically all the principal commodities.

Working expenses increased $7,970,271, or 7.4%. More than one-half of the increase was in maintenance expenses, which were $4,432,378, or 10.4, higher than in 1935. Almost the entire increase in maintenance of way expenses resulted from the inclusion of the whole of the Company's proportion of maintenance expenditures incurred by reason of the agreement with Dominion Government to provide work for approximately 5,000 unemployed men transferred from the relief camps which were being closed by the Government. The Government paid the wages of these men and certain incidental transportation and other expenses aggregating approximately $1,323,000. The Company absorbed the cost of materials applied, of work train service, and of all supervisory and overhead expenses, the maintenance proportion of which amounted to approximately $1,605,000. Snow removal expenses were somewhat heavier than in 1935. The greater part of the increased maintenance of equipment expenses was in passenger car repairs, which increased $1,760,000. During the year 129 passenger cars were air-conditioned, involving heavy expenditures, partly chargeable to capital and partly to maintenance. Charges for retirement of rolling stock and depreciation of inland steamers were approximately $1,024,000 greater than in 1935.

Transportation expenses increased $2,394,237, or 5.0%. The ratio of transportation expenses to gross earnings was reduced from 36.6% in 1935 to 36.0 in 1936. The following averages indicate the continued improvement in freight train operations:

	1931	1933	1935	1936
Gross tons per freight train mile	1,389	1,515	1,546	1,557
Gross tons per freight train hour	21,766	23,849	25,051	25,370
Pounds of fuel consumed per 1,000 gross ton miles freight	116	112	109	108

The scale of deductions from basic rates of pay of officers and employees made effective in 1935 was continued throughout 1936. During the year conferences were held between representatives of the Canadian railways and of their employees to discuss the request of the latter for the complete restoration of basic rates of pay. It was not considered that conditions warranted the granting of this request. This led to the application by the employees for the appointment of a Board of Conciliation under the terms of the Industrial Disputes Investigation Act. A Board was appointed and hearings took place in November and December. At the close of the year the Board had not make its report.*

*Under date of January 30, 1937, the Board of Conciliation recommended:

"That the existing deduction from basic rates of pay of 10 per cent. be reduced to 9 per cent. on February 1, 1937, as proposed in conciliation conferences by the railways, and that further fixed reductions during the year be put into effect unconditionally, namely, a reduction to 8 per cent. not later than August 1, 1937, and a reduction to 7 per cent. not later than November 1, 1937."

While the railways have expressed their willingness to accept the recommendation of the Board as the basis for an agreement, and have changed the percentage deduction from 10 per cent. to 9 per cent., effective February 1, 1937, the employees have indicated that they are not prepared to adopt the recommendations. The matter is still unsettled.

Other Income

There was a substantial improvement in Other Income, the increase over 1935 amounting to $2,053,027.

Dividends increased $1,251,467. Cash dividends received from The Consolidated Mining and Smelting Company of Canada, Limited, included under this caption, amounted to $3,365,000, an increase of $1,177,750 over 1935.

Net income from interest, exchange, separately operated properties and miscellaneous increased $493,993.

Net earnings from ocean and coastal steamships before depreciation increased $317,266. There was a substantial increase in the gross and net earnings of the coastal services, reflecting the improvement in general conditions. Net earnings of ocean services were approximately the same as during the previous year. Net earnings of cruise services decreased substantially, due primarily to the change in the itinerary of the world cruise of the Empress of Britain made necessary by the disturbed conditions in the Mediterranean. Gross earnings of Atlantic services increased substantially but were offset by the cost of handling the additional traffic, increase in price of materials consumed, increased cost of repair work owing to higher wage rates, and an increase in seamen's wages in accordance with agreement with the National Maritime Board. Gross earnings of Pacific services increased slightly, and the expenses were considerably less than in 1935, owing principally to more favourable exchange rates. The increase in net earnings from these services was approximately equal to the reduction in net earnings from cruise services. During the year 1936 the Company's steamships made 136 regular voyages on the Atlantic, 25 on the Pacific and 35 cruises. Your fleet suffered no casualties during the year, and, apart from the disposal of one of the older coastal vessels and a transfer barge, no change was made in the fleet.

Net earnings from hotel, communication and miscellaneous properties decreased $9,699. Your hotels enjoyed substantially increased patronage. The net earnings for the year amounted to $672,796. While your hotels have been maintained in first class condition and the equipment modernized from time to time, the cost of renewals and replacements being charged to expenses, no provision has hitherto been made for obsolescence. After careful study of the situation, it has been decided to make an annual appropriation for this purpose. Accordingly, an amount of $620,094 was transferred from the net earnings of hotels to hotel depreciation reserve. It is proposed to increase the amount so appropriated from time to time as conditions warrant. In certain prior years, net earnings of hotels aggregating $2,319,339 were credited to hotel investment account. The amount so credited has been transferred to hotel depreciation reserve.

Steamship Depreciation

The full annual depreciation requirement for your ocean and coastal fleets, amounting $3,567,151, was appropriated from Income Account.

Fixed Charges

Fixed charges were $246,639 less than in the previous year. This saving was due principally to the retirement of the remainder of the Five Year Notes held by the Canadian Chartered Banks out of the proceeds of new bond issues sold in Canada at lower rates of interest.

Profit and Loss Account

An amount of $3,659,645, credited to investment reserve, was charged to profit and loss account, being equivalent to advances made to the Minneapolis, St. Paul & Sault Ste. Marie Railway Company to make up the deficiency in the amount available to meet its interest obligations for 1936 guaranteed by your Company.

During the year abandonment of lines was completed as follows:

	miles
Edmundston Subdivision	27.2
Orford Mountain Subdivision	16.0
Nickel Subdivision	16.6
Shore Line Subdivision	23.3
Kingston Subdivision — Godfrey Spur	4.1
Nipigon Subdivision—second track	5.5
Total	92.7

The approval of the Board of Railway Commissioners to these abandonments was obtained where necessary. After allowing for salvage, the net charge to Profit and Loss on account of these abandonments was $2,029,550.

The necessary adjustments in the property investment account have also been made for all other railway, steamship and miscellaneous property retired during the year. While the final disposition of the Place Viger Hotel, the operation of which ceased towards the close of 1935, has not yet been determined, it has been written down to its estimated present value.

Dividends

Upon consideration of the results of the Company's operations in 1936, and having in view its obligations as guarantor of the interest on certain securities of the Minneapolis, St. Paul & Sault Ste. Marie Railway Company, your Directors declared a dividend from the earnings of 1936 of 1 per cent. on the Preference Stock, payable April 1, 1937.

The year's earnings and the rate of dividend on the Preference Stock were affected by the severe drought in the territory served by your Company and the Soo Line, which resulted in substantial curtailment of the earnings for the last quarter of the year.

Land Accounts

Sales of agricultural lands during the year amounted to 92,210 acres for $955,520, an average of $10.36 per acre, including 1,635 acres of irrigated land at $52.88 per acre and the remainder at an average of $9.59 per acre.

Throughout 1936 the Company continued the policy of debt relief to its land contract holders the adoption of which in February, 1932, constituted the first effective step to relieve in a measure the distress of the farmers in Western Canada, which resulted from poor crops and low prices. The rebates of interest from 1932 to the end of 1936 have amounted to $7,260,496, to which might be added adjustment of principal outstanding and further concessions in interest for cash payments, amounting to $2,267,827, a grand total of $9,528,323.

The wisdom of this policy has been demonstrated by the subsequent enactment of Dominion and Provincial legislation for the relief of farmers. A very considerable number of farmers have taken advantage of the provisions of the Farmers' Creditors Arrangement Act of the Dominion, which provides the machinery for the composition of their indebtedness. Moreover, in Saskatchewan, and particularly in the drought areas, substantial relief is being extended to the farmers under an arrangement between the Dominion and Provincial Governments and the various mortgage and loan companies interested for the remission of arrears of taxes, interest, etc. In Alberta legislation was enacted for a compulsory reduction in all debts incurred prior to July, 1932, and for the abolition of interest. The validity of this legislation is being tested in the Courts.

Collections on land contracts have naturally been affected adversely by the persistent drought of the past six years, coupled with the effects of the general depression. Rehabilitation of the drought areas is now receiving the attention of Governments and experts, and the opinion is held that less than 10% of the soil in these sections has been permanently damaged.

It is proposed to continue for the present year the policy of concessions to land purchasers, with certain modifications.

Pensions

The Company has since 1903 maintained a system of voluntary pensions without contribution from the employees. The changes in conditions that have taken place, more particularly in recent years, have made it clear that the continuance of the voluntary system would eventually impose upon the Company financial burdens which it would be unable to bear. After thorough investigation by a committee composed of officers of the Company and representatives of the employees, it was decided that from the standpoint of both the Company and employees the simplest and most satisfactory plan would be to adhere as closely as possible to the underlying principles of the original system, and to incorporate therein suitable provisions for contributions by the officers and employees, and such other changes as were necessary to meet the altered conditions.

New rules and regulations drafted by the committee, embodying the foregoing principles, were approved by your Directors to take effect January 1, 1937. Participation is optional for employees in the service prior to January 1, 1937, but compulsory for those entering the service thereafter. For all participants the rate of contribution has been fixed initially at three per cent. of their earnings. Contributions on the part of the Company remain voluntary. Provision has been made for the continuance of allowances to those already on pension so that there will be no change in their status.

The plan will be administered by a committee composed of four officers of the Company and three General Chairmen of the organized classes of employees. Contributions are to be paid into a trust fund with the Company as trustee.

The actuary retained in connection with the preparation of the new pension system estimates that, while during the early years of the operation of the system the relief to the Company will not be material, it will gradually increase until ultimately the contributions of the employees will provide approximately 45% of the total pension cost.

Although eligible employees have until December 31, 1937, to elect to become contributors, 31,600, or approximately 70%, so elected prior to the end of the year 1936.

Pension disbursements for the year totalled $2,233,008 and were included in working expenses. During the year 389 employees were pensioned. The total number of pensioners at the end of the year showed an increase of 183 over the number at December 31, 1935. The distribution by ages of the pensioners on the roll at December 31, 1936, was as follows:—

Under 60 years of age	110
From 60 to 64 years of age inclusive	255
From 65 to 70 years of age inclusive	1,274
Over 70 years of age	1,306
	2,945

Capital Expenditures

In anticipation of your confirmation your Directors authorized capital appropriations, in addition to those approved at the last annual meeting, aggregating for the year 1936 $2,421,405. Your approval will be requested for capital appropriations during the present year of $27,306,061. Particulars of the principal items are:—

Replacement and enlargement of structures in permanent form	$ 285,466
Additions and betterments to stations, freight sheds, coaling and watering facilities and engine houses	356,165
Ties, tie plates, rail anchors and miscellaneous roadway betterments	1,927,707
Replacement of rail in main and branch line tracks with heavier section	522,113
Rock ballasting	482,344
Additions and betterments to shop machinery	256,685
Installation of automatic signals	64,511
Additional terminal and side track accommodation	47,186
New rolling stock	20,723,422
Additions and betterments to rolling stock	1,636,231
Additions and betterments to hotels	42,041
Additions and betterments to communication facilities	876,863

New rolling stock includes appropriations covering the cost of 3,600 freight cars, 30 passenger cars, and 50 locomotives. In view of the extensive retirements and limited purchases of rolling stock during the last few years, it has been deemed advisable to take advantage of the present level of prices to acquire additional units of modern design necessary for the efficient handling of the increased volume of traffic which has already developed and the further increase which is anticipated. Additions and betterments to rolling stock includes ordinary betterment of freight cars and motive power to secure more efficient operation and the capital proportion of the cost of air-conditioning 141 passenger cars to extend the use of this type of equipment to meet the public demand.

Temiscamingue and Abitibi Railway

For some time past your Company has been urged by representatives of the rapidly developing agricultural and mining areas of Northern Quebec to undertake the construction of a line of railway which would provide improved means of communication from these areas to the industrial centres of the Province. To meet these demands, as well as to place the Company in a position as occasion might warrant to provide railway communication with the mining area in which your subsidiary The Consolidated Mining & Smelting Company of Canada, Limited, has a substantial interest, your Company caused application to be made to the Provincial Legislature for a charter authorizing the Temiscamingue and Abitibi Railway Company to construct such a line. While the act of incorporation passed the Legislative Assembly, unfortunately that body unexpectedly dissolved before the act received the approval of the Legislative Council. The Canadian National Railways opposed the granting of this charter and obtained from the Dominion Parliament authority to construct a branch line serving part of the territory into which the Temiscamingue and Abitibi Railway had been projected. Conferences with the Canadian National Railways and the Dominion Government failed to produce a basis of compromise, such as the joint construction of the section of line which would be duplicated under the plans of the two companies. The Canadian National Railways have proceeded with the construction of their branch line. Your Directors have still under consideration the question of the further action which should be taken by your Company.

Finance

There were issued and sold during the year $15,000,000 Collateral Trust Bonds dated February 15, 1930, secured by pledge of $18,750,000 Perpetual 4% Consolidated Debenture Stock. This issue consisted of $5,000,000 Serial 3% Bonds maturing in amounts of $1,000,000 on February 15 in each of the years 1937 to 1941 inclusive, and $10,000,000 Convertible Fifteen Year 3½ Bonds maturing February 15, 1951. The holders of the convertible bonds were given the right at any time between February 15, 1937, and February 15, 1944, inclusive, to convert their bonds into shares of the Ordinary Capital Stock of the Company in the ratio of four shares of the par value of $25.00 each to each $100.00 principal amount of the bonds. The proceeds of this issue were used to retire $12,000,000 of the Five Year Notes maturing June 22, 1938, and the balance for extensions to and improvements of the Company's property. Debenture Stock to the amount of $20,000,300 pledged as security for the notes was released and cancelled.

There were also issued and sold during the year $38,000,000 Collateral Trust Bonds dated April 1, 1936, secured by pledge of $45,600,000 Perpetual 4% Consolidated Debenture Stock. This issue consisted of $8,000,000 Three-Year 2½% Bonds maturing April 1, 1939 callable on any interest date on 30 days' notice at 100 and accrued interest; $15,000,000 Five-Year 2½% Bonds maturing April 1, 1941, callable on any interest date on 30 days' notice at 100½ and accrued interest; and $15,000,000 Convertible Nine and One-Half Year 3% Bonds maturing October 1, 1945, callable on any interest date on 30 days' notice at 102 and accrued interest. The holders of the convertible bonds were given the right at any time between April 1, 1937, and April 1, 1944, inclusive, to convert their bonds into shares of the Ordinary Capital Stock of the Company in the ratio of four shares of the par value of $25.00 each to each $100.00 principal amount of the bonds. The proceeds of this issue were applied toward the retirement of $11,000,000 Five Year 4½% Notes maturing June 22, 1938, and $25,000,000 Five Year 4½% Notes maturing December 1, 1938. Debenture Stock to the amount of $60,000,000 pledged as security for the notes was released and cancelled.

As a result of this financing the Company was enabled to complete the retirement of the $60,000,000 of notes issued to the Canadian Chartered Banks in 1933. The Dominion Government was entirely relieved of its obligation as guarantor of these notes without any expense to it.

On January 2, 1936, the Company borrowed $2,000,000 on its short term promissory notes from United States banks, secured by pledge of $2,850,000 Perpetual 4% Consolidated Debenture Stock. These loans were repaid at maturity during the year, and the Debenture Stock was released and cancelled.

Owing to unavoidable delay in delivery of part of the rolling stock to be sold to the Company by the Dominion Government under the Hire-Purchase Agreement referred to in the last Annual Report, the formal agreement could not be executed before the end of the year. Your Company's obligation to the Government as at December 31, 1936, was $5,640,500 of the total authorized amount of $5,730,000.

At the request of the Dominion Government and as a means of assisting in the relief of unemployment the Company agreed, as previously mentioned, to increase its programme of maintenance of way and betterment work during the season of 1936 so as to provide employment for a maximum of five thousand men then receiving assistance from the Government. The Government reimbursed the Company for the wages paid, amounting to approximately $1,323,000, and advanced to it by way of loan $554,700, repayable in five equal annual instalments commencing in 1938 with interest at the rate of 2½% per annum, on account of the other expenditures for labour incurred in preparation for and in connection with the work.

During the year equipment obligations to the amount of $1,950,000 were redeemed by the Company. An amount of $2,300,150 was also deposited with the Trustee of the Equipment Trust maturing in 1944 who purchased and cancelled $634,000 of equipment certificates. Twenty Year 4½% Sinking Fund Secured Note Certificates to the amount of $301,800 were purchased by the Trustee and cancelled.

Your guarantee of interest was endorsed on Four per cent. First Mortgage Bonds of the New Brunswick Southern Railway Company to the amount of $500,000 maturing August 1, 1986, issued by that Company and delivered to your Company in repayment of advances made to the New Brunswick Southern Railway Company to enable that Company to retire its outstanding bonds of the same amount which matured January 1, 1933.

London Hotel Site

In view of the necessary delay in the development of the hotel site in Berkeley Square, London for the purpose for which it was purchased, your Directors decided to take advantage of proposals made by an outstanding firm for the immediate construction upon it of a modern building worthy of its importance. Negotiations contemplate a lease for a period of 200 years on terms satisfactory to your Company, with a limited option to purchase the freehold at a price in excess of the cost of the property to the Company.

Minneapolis, St. Paul & Sault Ste. Marie Railway Company (Soo Line)

The results of operation of the Soo Line for the past year were disappointing. A moderate increase in general traffic was practically neutralized by an almost complete failure of the grain crop in the territory served, due as in Canada to severe drought. The slight increase in total revenues was more than offset by the increase in expenses occasioned by the imposition of social security taxes and the restoration of basic wage rates. Your Company advanced to the Soo Line during the year $3,659,645 to make up the deficiency in the amount which the latter had available to meet interest obligations guaranteed by your Company and $576,062 to redeem the balance of notes issued to the Railroad Credit Corporation in 1932 and guaranteed as to principal and interest by your Company.

Spokane International Railway Company

There was a substantial increase in the traffic handled by this Company in 1936 as compared with the previous year, owing to improvement in general conditions and to the Canada-United States Trade Agreement 1935. As a result the Company ended the year with net earnings from railway operations of $103,870, as compared with a loss of $18,887 in 1935. The reorganization of this Company and its subsidiary, the Coeur d'Alene and Pend d'Oreille Railway Company, was proceeded with, and on September 12 the Trustee filed a plan with the Federal Court and the Interstate Commerce Commission. Hearings on the plan commenced before the Interstate Commerce Commission in December but were not concluded at the close of the year. In view of the improved position of the Company it is hoped that a feasible plan of reorganization may now be concluded. There was no change in the investment of your Company in the Spokane Company during the year.

The Duluth, South Shore and Atlantic Railway Company

Notwithstanding a substantial improvement in the net earnings in 1936, in view of the approaching maturity on January 1, 1937, of certain mortgage bonds aggregating $5,400,000, for payment of which no funds were available, the Board of Directors of The Duluth, South Shore and Atlantic Railway Company at a meeting on December 30, 1936, authorized the filing of a petition in the Federal Court pursuant to Section 77 of the Bankruptcy Act of the United States, stating that the company was insolvent and that it desired to effect a plan of reorganization. Your Directors are of the opinion that these proceedings will result in an improved capital structure and place the South Shore Company in a position to pay a return on your Company's investment therein. Your Company received during the year some small payments on account of unpaid interest due from the South Shore Company.

Leases and Agreements

There will be submitted for your consideration and approval a lease of the railway of Atlantic and North-West Railway Company extending from the point of connection between the railway of that Company and the railway of Ontario and Quebec Railway Company on the south bank of the St. Lawrence River, near Montreal, to Farnham, and from Brookport (formerly Brigham Junction) to a point of junction with the Maine Central Railway at or near Mattawamkeag in the State of Maine, for a term of 999 years from the first day of January, 1937, at a clear annual rental of £52,000, being equal to the annual interest on £1,300,000 Four per cent. First Mortgage Redeemable Debenture Stock issued by Atlantic and North-West Railway Company and secured by a mortgage of the said line of railway dated December 2, 1936; with a proviso that after redemption of the said Debenture Stock the annual rental payable under the lease shall be equivalent to the annual interest on the bonds, debentures, debenture stock or other securities of Atlantic and North-West Railway Company from time to time outstanding. The lease will supersede your Company's present lease of the said line of railway made the 6th day of December, 1886, reserving a rental of £28,013-14-0 per annum for twenty years from the commencement of the said lease and thereafter £66,500 per annum in perpetuity. Your Company also became a party to the mortgage under which it agreed to guarantee the payment of the principal of and the interest on the Debenture Stock to be issued thereunder.

Your confirmation and approval will be asked of an agreement, dated October 1, 1935, between your Company and the Midland Railway Company of Manitoba, whereby the Midland Company is granted the right to use that portion of the line of your Company in the City of Winnipeg from a point west of Academy Road to a point east of Portage Avenue, on the basis of paying a fixed annual rental equivalent to one-half of the interest at the rate of 3% per annum on the agreed capital account, one-half of interest at the rate of 5% per annum on additions to capital account and a wheelage proportion with a minimum of 15%, of the maintenance and operation expenses.

Co-operation With Canadian National Railways

During the year two co-operative measures previously agreed upon were put into effect under the provisions of the Canadian National-Canadian Pacific Act of 1933.

1. Abandonment of the Canadian National Railway line between Iberville and Farnham and joint operation of the Canadian Pacific line.
2. Abandonment of the Canadian Pacific line between Cyr and Edmundston and joint operation of the Canadian National line.

The total annual economy from arrangements in effect at the end of the year is approximately $1,135,000 and the Joint Executive Committee has approved and authorized the completion of formal agreements covering other projects estimated to yield savings of approximately $527,000, a total annual saving of approximately $1,662,000, one-half of which will accrue to each Company.

Meetings of the Joint Executive Committee were held during the early part of the year. Subsequently under the legislation passed at the last session of Parliament, the Canadian National Trustees were replaced by a Board of Directors. Shortly after the Board assumed its duties in October, your Directors submitted to it proposals for co-operative action in a number of competitive matters, but, no doubt owing to pressure of other matters following their appointment, the Directors of the Canadian National Railways had not communicated their views to this Company at the close of the year.

Stock Holdings

The holdings of the Capital Stocks of the Company in December, 1936, were distributed as follows:—

	ORDINARY No. of holders	ORDINARY Percentage of Stock	PREFERENCE No. of holders	PREFERENCE Percentage of Stock	Percentage of Ordinary and Preference Stocks combined
Canada	26,942	16.12	99	.31	11.44
United Kingdom and other British	20,483	52.40	27,220	97.11	65.64
United States	16,955	24.75	30	.58	17.59
Other Countries	4,285	6.73	307	2.00	5.33
	68,665		27,656		

Changes in Directorate

During the year the Directors received, with regret, the resignation of Mr. W. A. Black, who had been a member of the Board since 1927, and a member of the Executive Committee since 1933. Mr. John W. McConnell was appointed a Director of the Company succeeding Mr. Black and Mr. Ross H. McMaster was appointed to the Executive Committee.

Retiring Directors

The undermentioned Directors will retire from office at the approaching Annual Meeting. They are eligible for re-election:

Sir Edward Beatty, G.B.E.,
Mr. John W. McConnell,
Rt. Hon. Lord Shaughnessy, K.C.,
Hon. J. Marcelin Wilson, Senator.

In conclusion your Directors again acknowledge with sincere appreciation the continued loyalty and efficiency of the officers and employees.

For the Directors,
E. BEATTY,
President.

Montreal, March 8, 1937.

Canadian Pacific Railway Company

General Balance Sheet, December 31, 1936

ASSETS

PROPERTY INVESTMENT:		
Railway, Rolling Stock, Inland Steamships, Hotel, Communication and Miscellaneous Properties	$774,271,263.86	
Improvements on Leased Railway Property	96,098,217.26	
Ocean and Coastal Steamships	104,614,834.58	
Stocks, Bonds and Other Securities of Leased, Controlled and Jointly Controlled Railway Companies and Wholly Owned Companies—Cost	198,279,296.26	
		$1,173,263,611.96
OTHER INVESTMENTS:		
Miscellaneous Investments—Cost	$ 26,981,389.12	
Advances to Controlled and Other Companies—Net	23,023,626.50	
Mortgages Collectible and Loans & Advances to Settlers	2,894,093.21	
Insurance Fund Investments	8,248,294.47	
Deferred Payments on Lands and Townsites	38,688,677.83	
Unsold Lands and Other Properties	32,067,441.92	
		131,903,523.05
CURRENT ASSETS:		
Material and Supplies	$ 16,941,308.54	
Agents' and Conductors' Balances	5,721,427.15	
Net Traffic Balances	1,034,366.66	
Miscellaneous Accounts Receivable	5,287,214.42	
Cash	23,608,315.40	
		52,592,632.17
UNADJUSTED DEBITS:		
Insurance Prepaid	$ 157,592.99	
Unamortized Discount on Bonds	3,271,477.51	
Other Unadjusted Debits	1,507,746.69	
		4,936,817.19
		$1,362,696,584.37

LIABILITIES

CAPITAL STOCK:		
Ordinary Stock	$335,000,000.00	
Preference Stock—4% Non-Cumulative	137,256,921.12	
		$ 472,256,921.12
Perpetual 4% Consolidated Debenture Stock	$480,261,548.74	
Less: Pledged as collateral to bonds	188,850,000.00	
		291,411,548.74
Bonds and Equipment Obligations	$195,520,500.00	
Less: Securities deposited with Trustee of 5% Equipment Trust	9,290,145.33	
		186,230,354.67
Twenty Year 4½% Sinking Fund Secured Note Certificates (1944)	$ 30,000,000.00	
Less: Purchased by Trustee and cancelled	9,785,100.00	
		20,214,900.00
CURRENT LIABILITIES:		
Audited Vouchers	$ 5,382,846.60	
Pay Rolls	2,697,066.83	
Miscellaneous Accounts Payable	2,256,124.90	
Accrued Fixed Charges	1,801,981.10	
		12,138,019.43
DEFERRED LIABILITIES:		
Dominion Government Unemployment Relief	$ 4,271,922.71	
Miscellaneous	253,290.60	
		4,525,213.31
RESERVES AND UNADJUSTED CREDITS:		
Rolling Stock Reserve	$ 8,166,555.08	
Hotel Depreciation Reserve	2,939,433.96	
Steamship Depreciation Reserve	39,973,240.19	
Insurance Reserve	8,248,294.47	
Contingent Reserves	7,863,904.38	
Investment Reserve	19,669,645.32	
Unadjusted Credits	5,211,360.63	
		92,062,434.03
Premium Received on Capital and Debenture Stock (Less discount on bonds and notes written off at date of issue)		66,760,351.09
Land Surplus		78,564,138.59
Profit and Loss Balance		138,532,703.39
		$1,362,696,584.37

E. A. LESLIE, *Comptroller.*

AUDITORS' CERTIFICATE:

We have examined the Books and Records of the Canadian Pacific Railway Company for the year ending December 31, 1936, and having compared the above Balance Sheet therewith, we certify that in our opinion it is properly drawn up so as to show the true financial position of the Company at that date, and that the Income and Profit & Loss Accounts correctly set forth the result of the year's operations.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

Montreal, March 5, 1937

RECEIVES $7,593.40 FOR $5,000 POLICY

A policyholder who insured with The Mutual Life of Canada for $5,000 in 1912 on the "Endowment in 25 Years" Plan, is receiving a cheque in 1937 for $7,593.40. His annual payments to the Company totalled $5,006.25, so that his gain is $2,587.15. In addition, of course, he has received life insurance protection for the past 25 years.

Since The Mutual Life was first organized 67 years ago, in addition to providing protection, over $66,000,000 has been paid to policyholders in dividends alone.

It is results such as these that have earned for The Mutual Life of Canada the name of "The Policyholders' Company." The policyholders have *always* owned the Company and *all* the surplus earnings. The policyholders' interests have been first and foremost. Security of principal, good returns to policyholders and prompt payment of all claims have characterized the Company's activities.

You are invited to become a policyholder and part-owner of this Mutual Company.

MUTUAL LIFE OF CANADA
Established 1869
Owned by the Policyholders
Head Office - Waterloo, Ontario

The Wawanesa Mutual Insurance Company
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Alberta Plans Market Control

Import-Export Bill Seen as Part of Social Credit Programme

From Our Own Correspondent

EDMONTON. — Another measure for government control of Alberta's business life is contained in a bill introduced in the legislature by Hon. Dr. W. W. Cross, minister of trade and industry. The new bill provides marketing boards for specified commodities and a "provincial trading board," otherwise the Social Credit export-import board. Other Cross bills provide licensing of all businesses in the province and price-fixing arrangements.

Dr. Cross's new Commodities Marketing bill supplants the former Natural Products Marketing Act, passed in 1934, as provincial legislation validating federal statute by the same name.

Set-up of Board

In Part 2 of the Cross bill the Provincial Trading Board, a corporate body with power to deal in all commodities, is provided, and will have three government-appointed members.

In Social Credit theory, as expounded in Alberta, it is necessary to control strictly exports and imports, in order that the new Social Credit medium of exchange may be protected and maintained at a level of value agreed on beforehand.

Again, if the Government were to succeed in launching the province on a new medium of exchange, probably credit tokens, it would be necessary to arrange payment for imports in currency. So the intention is to handle imports and exports through a government agency.

Extremely wide powers will be vested in the Social Credit trading board, which incidentally is authorized by the proposed law to operate at a profit in order to meet expenses.

Hydro Loads Up 11.4% in Month

Ontario Commission February Peaks Higher in All Systems

Peak power loads of every system of the Hydro-Electric Power Commission of Ontario again showed increases in February, compared with the 1936 month.

The total increase in primary power loads for all systems was 11.4%.

In the Niagara system, serving the active industrial areas of southern Ontario, the gain was over 90,000 h.p., the largest increase in volume, but a percentage increase of only 9.7%.

Activity in North

The largest percentage increase was in the northern Ontario properties which have grown increasingly active with development of new mining areas. Similar influences, including the recovery in activity in forest industries, are responsible for the increase of 22.2% in the primary load of the Thunder Bay system.

All systems also showed gains in the combined coincident peaks of primary and secondary power.

Comparative figures follow:

Ontario Hydro February Loads
Maximum 20-Minute Peak Horsepower

Systems	Feb. 1937	Feb. 1936	Incr. %
Primary Load:			
Niagara	1,018,364	928,284	+ 9.7
Eastern Ont.	109,698	100,952	+ 8.7
Georgian Bay	25,764	23,090	+11.6
Thunder Bay	77,527	63,432	+22.2
Northern Ont.	102,400	81,881	+25.1
Total	1,333,753	1,197,639	+11.4
Primary and Secondary Loads:			
Niagara	1,147,855	1,115,818	+ 2.9
Eastern Ont.	126,562	114,859	+10.2
Georgian Bay	25,764	23,090	+11.6
Thunder Bay	138,606	120,375	+15.1
Northern Ont.	183,499	147,431	+24.5
Total	1,622,286	1,521,573	+ 6.6

Montreal Suburb Talks Of Municipal Electricity

From Our Own Correspondent

MONTREAL.—City of Longueuil, a small town adjacent to Montreal and now being served by Montreal Light Heat and Power Co., is giving consideration to the municipalization of electricity.

Consulting engineers, in charge of the study of the project some months ago, have submitted a report to council on a system which will serve Longueuil as well as neighboring municipalities.

The matter has not been finally decided by the city council. Before a system could be set up, it would be necessary to have a referendum of the ratepayers and approval of the Provincial Government.

To The Travelling Public:

HOTEL LONDON

London, Ontario

As from January 15th the rates for rooms will be as follows:
Single room without bath, $2.50; running water and toilet.
Single room with shower, $2.75.
Single room with bath, $3.00.
Single room with tub and shower combination, $3.50.
Double room without bath, $4.00; running water and toilet.
Double room with bath, $4.50.
Double room with tub and shower combination, $5.00.
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Great Canadians of Yesteryear Come to Life Again

VAN HORNE — DONALD SMITH — JAMES J. HILL — GEORGE STEPHEN — "HELL'S BELLS" ROGERS — SHAUGHNESSY

The great industrial and financial figures which held the spotlight of Canadian business history 50 years ago will come to life again next month when Canada's first "million dollar" movie, "Silent Barriers" produced by Gaumont British Corp. goes on the boards.

Produced over a period of 19 months at a cost of $980,000, this film has been described as a true-story record of the dangers, disasters and financial difficulties attending construction of the first transcontinental railway and the ultimate triumphs of the great engineering project which gave physical effect through the C.P.R. to the uniting of the provinces under the pact of confederation.

No effort or expense was spared to re-enact the historic scenes of this Canadian business epic including the portrayal of the financial giants who struggled with the project and succeeded despite a drained treasury. The characterization also includes for the first time Sir John A. Macdonald (shown at the centre of the picture at top right).

Driving First Spike

One of the most familiar photographs to Canadians is the driving of the last spike of the C.P.R. at Craigellachie, B.C., on Nov. 7, 1885, by Hon. Donald A. Smith, later Lord Strathcona. How well this has been reproduced can be seen in the illustration above (top centre) which reveals the scene re-enacted near the original site last fall with "Smith" wielding the hammer.

Historic Scenes

To the left is a C.P.R. board room scene (staged last year inside a western Canada skating rink) depicting the crisis when James J. Hill threatens to resign as a director unless the route through the Canadian Rockies is abandoned in favor of his own line across the Northern States. Van Horne and others insist that it is a national matter and take him at his word in a climactical situation with the result that the American railway magnate is ousted from the board.

To the right is depicted the tense moment when the directors implore Sir John A. Macdonald for financial and moral aid, proceeding with the task on the mere word of favorable support from the Prime Minister.

Famous Characters

How well the famous characters are portrayed is indicated in the portraits along the bottom of the layout showing the actors in the following rôles: William Van Horne, then vice-president and later the second president of the C.P.R.; Hon. Donald A. Smith, afterward Lord Strathcona; James J. Hill, noted railway builder of the United States; George Stephen, first president of the C.P.R. and afterward Lord Mount Stephen; Major "Hell's Bells" Rogers, who was the engineer in charge of construction through the difficult Rockies, and Thomas Shaughnessy, at that time general purchasing agent and afterward Lord Shaughnessy and the third president of the road.

"Silent Barriers" is based on the novel, "The Great Divide," by Alan Sullivan, Canadian author, which originally appeared in serial form as "Track of Destiny" in Maclean's Magazine.

C. I. O. Drive Opens in East

Plans Under Way to Unite Unorganized Trades Under Banner

From Our Own Correspondent

SYDNEY, N.S.—In line with a concerted labor effort throughout Canada to obtain statutory protection labor leaders in two of Nova Scotia's leading industries—coal and steel—have presented to the Nova Scotia Government a brief calling for a six-hour day in the Nova Scotia coal fields and establishment of a law to give workers the right to organize into unions without interference from employers. A four-hour conference was held at Halifax between Premier Angus L. Macdonald and the members of his Cabinet, the labor representatives headed by D. W. Morrison, president of the U.M.W. in district No. 26 and Carl Neville, president of the Sydney steel workers union.

Included in the programme of the U.M.W., a unit of John L. Lewis's Committee for Industrial Reorganization, are increased subventions for shipments of Nova Scotia coal to Upper Canada and a new system of old-age pensions contributed to by the Government, the employers and workers.

Organization of 500 store clerks in Glace Bay and New Waterford, the centre of the Cape Breton coal fields, is now under way and marks the latest move in Cape Breton under the C.I.O. drive. At Glace Bay, efforts are being made to organize all garage mechanics, plumbers, electricians, telephone employees, carpenters, painters and other tradesmen not at present organized. Also eligible to membership are street and water department employees of the town of Glace Bay, electrical department employees and town hall clerks.

It is proposed to start a branch of industrial workers shortly and all other towns in Cape Breton will be similarly organized, after which there will be formed a provincial organization under the C.I.O. banner affiliated with the U.M.W., it is stated.

Aberhart Wins Case Against Wage Claimants

VANCOUVER. — Joint wage claims against Premier Aberhart amounting to $1,125 have been dismissed with comment from Judge Lennox, of county court, that the case should never have been brought to trial.

The actions are the result of Premier Aberhart's abortive efforts to establish a strong Social Credit party in the coast province. John L. Loveseth, executive secretary of the now defunct Social Credit Union, and Mrs. M. B. Hopkinson, recording secretary, were the plaintiffs.

Budget Provides $197,000 To Ship Troops to Britain

Despite Government insistence that Canada's enlarged defense expenditures this year do not provide for expeditionary forces the budget sets aside funds for transportation of Canadian armed forces to England within the next few weeks.

The expeditionary force will not, however, take part in any hostilities, either defensive or offensive. It will be a pacific battalion of loyal goodwill, the Canadian ingredient in the color and martial pomp surrounding the Coronation ceremonies in May.

Cost Set at $197,000

The interesting detailed outline of the plan for the expedition, as submitted to Parliament by Hon. Ian Mackenzie, minister of defense, set the cost at $197,000 and the personnel of the detachment at 334, including 70 officers, 263 men and one nursing sister. When the late King George V was crowned nearly 30 years ago, Canada sent a contingent of 720 men, but the cost to the Government was only $135,000, because expenses were not provided for after the detachment left the port of disembarkation in England.

While a group of 30 men will represent the Royal Canadian Navy and naval reserve bodies, the contingent will not proceed overseas on one or more of Canada's new destroyers nor will a Canadian naval vessel take part in the Coronation demonstrations. The detachment will travel on regular steamships, the naval, militia and Mounted Police units departing from Montreal and the air force group from Saint John.

The naval group will be assembled at Halifax, the Mounted Police unit at Regina, and the militia and air force delegates at Ottawa.

$33,500 For Pay

The details given by the minister show that by no means all the appropriation is to be spent for travelling costs, but that adequate provision has been made for a variety of contingencies that will arise. For instance, $33,500 was voted for the pay of the non-permanent members of the militia and air force units, in addition to the funds for miscellaneous travelling expenses and living allowances while abroad.

The railroad and steamship fares for the contingent form the largest item of the appropriation and are estimated at $132,838, including subsistence allowances while en route, tips and similar expenses.

In addition to this, $8,300 is provided for transportation to and from England, and forage while there, of the horses being taken by the Army unit and the R.C.M.P. detachment.

At total of $21,750 has been included for entertainment and contingencies, but of this only $1,400 consists of amounts specifically earmarked for entertainment allowances, leaving an elastic leeway for the myriad little unforeseen expenses which arise on such trips.

Army Largest Group

The Army will provide the largest group in the contingent, sending 180 officers and men from the non-permanent active militia and 60 from the permanent force. The latter unit will include 35 bandsmen. The militia detachment will include 42 men from Ontario and 50 from Quebec, the remainder consisting of an average of a dozen men from each of the other provinces.

The Navy and Air Force will each send 30 men and the R.C.M.P., 34.

The task of selecting the men for the coveted places on the roster of the detachment has been in progress since last January. Regimental and district officers commanding sent in lists of names approximately three times the size of the quota allotted to the various district and provinces, and final choices were made at defense headquarters in Ottawa.

Important Timber Deal Is Completed at Vancouver

From Our Own Correspondent

VANCOUVER.—The third big deal in Vancouver Island timber within six months was revealed with the announcement that a new corporation known as Salmon River Logging Co., organized by prominent figures in the British Columbia logging and sawmill industry, had bought 700 million feet of timber from the Memekay Timber Co.

Pulp and Paper Workers Seek Higher Wage Scale

MONTREAL. — Rising prices for newsprint will likely be followed by a rise in labor costs. In respect to the latter, delegates to the annual convention of the International Brotherhood of Pulp, Sulphite and Paper Mill Workers approved a demand for a 15% increase in the hourly wages of the members in Canada and the United States. They reported unskilled workers now received between 26 and 52½ cents, and skilled workers between 40 cents and $1.15 an hour.

Quota on Shingles Is Blow to B. C.

U. S. Restriction Cuts Off Main Market for Coast Output

From Our Own Correspondent

VANCOUVER. — British Columbia's shingle industry has been hit a severe blow just at a time when it was beginning to get into full stride, it is claimed, by President Roosevelt's order limiting the quota on red cedar shingle imports into the United States for the first six months of 1937.

Normally British Columbia mills ship more than 80% of their total output to the United States.

Last year British Columbia shingle mills produced more than three million squares. With the United States sales restricted to a maximum of two million squares, the mills will be faced with a serious problem of overproduction.

Extend Maritime System

Nova Scotia Light and Power Co. and its subsidiaries extended their transmission system between 60 and 65 miles during the past year.

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ACTUAL PHOTOGRAPH

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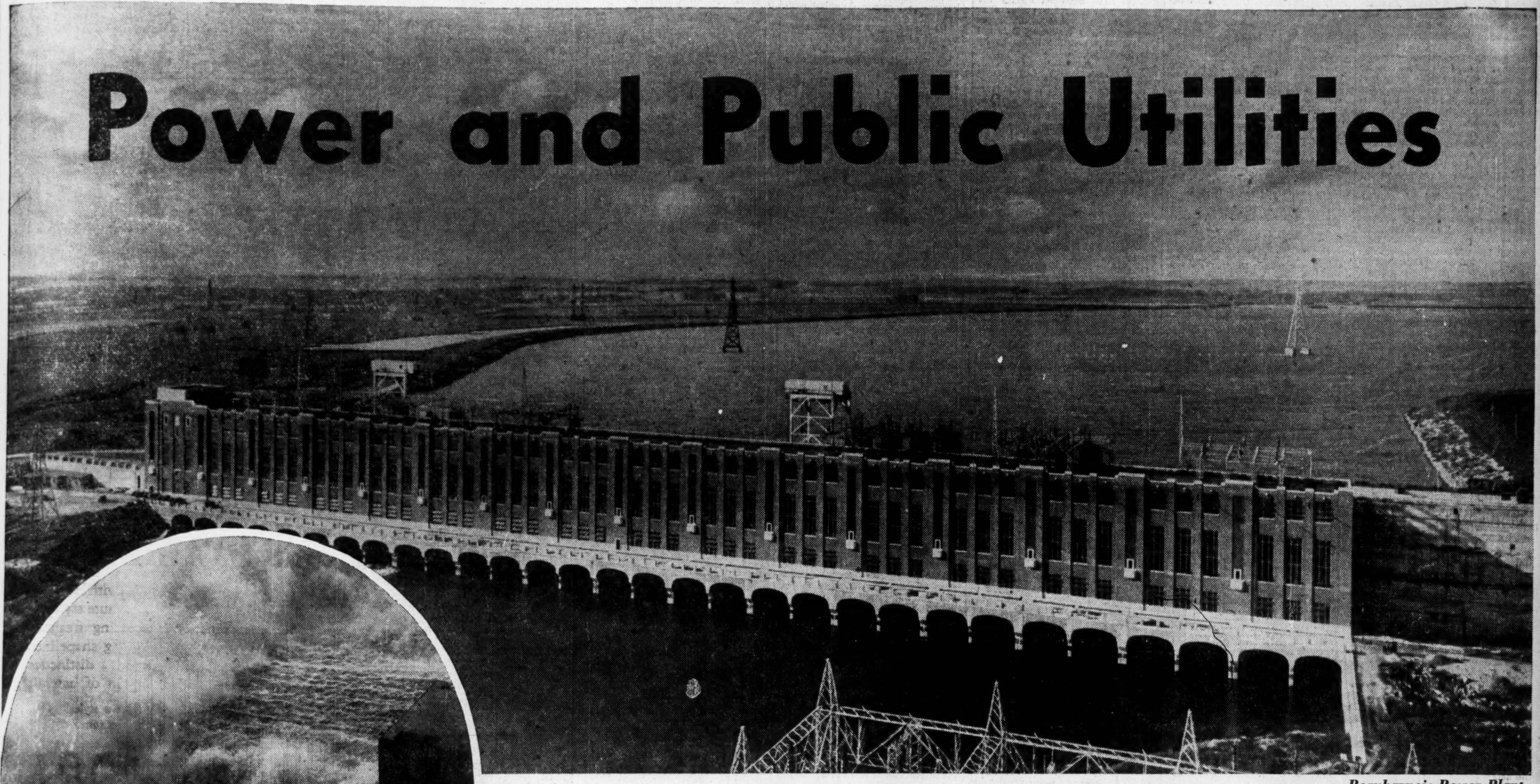
Power and Public Utilities



Beauharnois Power Plant

Outlook Brightens for Power Investor

Earning Prospects Favorable Though Other Factors Still Cloud Horizon —Dividend Increases May be Modest

By JOHN E. LANGDON

PUBLIC utility securities in the hands of investors total over a billion dollars. The exact figure is unknown, but as there is close to $2 billions of capital in the central electric station industry alone and allowing for private and Government undertakings, the public investment of better than a billion dollars is a conservative estimate.

Aside from Government bonds no other type of security is so widely held by Canadian investors. Bonds and stocks of electric power enterprises are the backbone of many an investment portfolio. Insurance companies have bought heavily. Trust companies have not hesitated to recommend them as investments for estates, the widow or the orphan. The person with a few hundred or a few thousand dollars has bought into the industry with the feeling that no safer investment could be made.

The extraordinary degree of confidence vested in the electric utility industry by the investing public has been predicated, not on blind faith but on a record of accomplishment. For years the demand for electricity kept increasing at an amazing rate. Operators were hard put at times to meet requirements. Power sites were developed as rapidly as possible. The large returns made it an easy matter to secure new capital.

This was the picture at the time the depression set in. Since then there has been an about-face in the attitude of the investor toward the power industry. The so-called depression-proof industry proved vulnerable Earning power of electric utilities declined; dividends were reduced and, in a few cases, eliminated. The industry has been attacked from many angles and, as is only natural, the investor, concerned with the safety of his capital and regularity of income, is asking himself: Where is the industry headed?

Fundamental Questions

AMONG the most important fundamental questions for investors in the electric utility industry are these:

1. What is the trend and outlook for electric power consumption?
2. How do revenue prospects compare with the possibility of rising costs?
3. Are dividends from electric power shares likely to increase?
4. Will political intrusions exert an adverse influence on power investments?
5. What is the general prospect for power securities?

Putting first things first, consider the initial question:

What is the trend and outlook for electrical power consumption?

Last year the central electric stations established an all-time record reduction. The same was true in 1935 and 1934. Since 1920 there has been an increase of 400% in the ouput of electricity in Canada. From 1920 to 1930, there was a steady advance in production. The depression and the consequent restricted use of energy for industry and commerce had its effect on operation in the next two years and output dropped back to the 1928 level.

Since 1934, the electric power industry has been in a new period of major growth. This is not generally appreciated by the public. Yet one has only to look at the Government returns for confirmation. The previous record year was in 1930, when the industry produced 18 billion killowatt hours of electric energy. In 1934, production had recovered to 21 billion kw.h., from 16 billion kw.h. in 1932. In 1915, 23.4 billion kw.h. were produced and last year 25.5 billion kw.h. If one is inclined to regard the period just before the depression set in as an era of unparalleled productive effort, as many still do, it is worth while noting that electric power production last year was 41% greater.

This outstanding gain has been due to a general broadening of demand. Export sales are limited by Government regulation and amount to less than 5% of the total output. Consequently, they have not contributed to the remarkable showing made by the industry in the last three years.

Power and Recovery

THE industrial load, which accounts for most of the revenue with the possible exception of Ontario, has expanded sharply.

Newsprint and mining are the two great industrial power users. It is estimated that for every ton of newsprint produced, 100 h.p. of electrical energy is required. Last year the Canadian mills produced 3.2 million tons.

This was considerably more than in any other year on record and compares with the low point of 1.9 million tons produced in 1932. At this time the newsprint industry is operating at effective capacity and will, judging by present indications, produce about 10% more paper this year than in 1936.

The growth of the mining industry has been spectacular. From Nova Scotia to British Columbia, millions of dollars have been poured into prospecting and development work with encouraging results. The mine power load has become increasingly important and there is reason to believe that it will continue upward.

While newsprint and mining account for a major share of the power load, there are other industries which have built up production in recent years. Industrial sales follow closely the course of general industrial activity throughout the year.

The Government's index of manufacturing activity (1926=100) dropped in 1932 to 74. It has since recovered to better than 122.8. In other words, manufacturing is now on a comparative basis with 1928.

Commercial and domestic consumption should continue to show an upward trend. The firm power, or industrial load naturally follows the general recovery which has shown an increasing tempo in the last two years. In each of the last three years there has been an annual increase in the aggregate power load of between 4% and 5%. The gain over the next year or two should be equal to this if not larger.

Given the probability of rising power loads we come to the second important question:

* * *

How do revenue prospects compare with the possibility of rising costs?

In considering the effect of increasing consumption on earnings of the power industry, it is important to note that the domestic and commercial business of electrical utilities, because of the relatively high rates, has a controlling effect upon revenues. Although the revenues contributed by the much larger industrial output are somewhat less, this load is highly important in that it tends to improve the load factor and thus achieves greater economy of operation.

Revenues of the light and power companies today are not far short of the earnings reported before the business recession set in. It is logical to think that the upward trend will continue, subject to rate variations for the near future.

The extent of the increase in net income depends on many factors. It will be noted that while the power output is appreciably larger now than it has ever been, the same cannot be said for revenues. This is due to an increasing percentage of production being sold at low rates for use in electric boilers and a steady reduction in domestic rates.

As the domestic and industrial loads increase, there will follow a reduction in domestic rates. This is part of the policy of the operators. Contrary to a widely held belief, lower rates do not immediately add to consumption. Usually there is a lag after a rate reduction has gone into effect before revenue from domestic users again advances. However, the trend in this field is on the upgrade and taking the industry as a whole rising consumption should improve revenues materially.

Rising Costs Will Limit Increase

All the anticipated increase in gross revenues in the year ahead will not show up in net earnings of the power and light companies. With business recovery comes an increase in commodity prices. Equipment costs go up. Distribution and transmission facilities become more expensive. More labor is employed. Wages are higher. The whole trend during a period of recovery is for the operating and administrative expenses to increase, though the ratio of expenses to income should decline from the high level reached during depression years.

Taxes are one of the major problems which the utility industry must face in the future. Increasing over the last few years at an unprecedented rate, they absorb today a large share of the gross revenues. Because of the ease with which thy can be collected from utility companies, their continued increase appears probable and their ultimate limit is problematical.

Refunding Benefits

IN THE past the majority of Canadian utilities have placed bonds on the market, carrying relatively high rates of interest and payable at the option of the holder in Canadian, American or in sterling funds. During the period when the Canadian dollar was selling at a discount, this optional payment clause cost the companies millions of dollars. With the development of a cheap-money market in the last two years, a number of companies have reprinted their old issues. In practically every case, the refunding was for the purpose of ridding the company of the obligation of paying interest or principal in the three-way markets. In a few cases—a very few—there was a lowering of the coupon rate, which after the payment of underwriting expenses, resulted in a reduction of interest charges. This meant an increase in the percentage of earnings available for distribution on the common stock. However, this was not general and the refunding to date has not resulted in any material reduction of debt charges.

Elimination of these contingent liabilities on the funded debt has strengthened the financial position of the light and power companies. It may not mean more profits for the shareholders, but it does enable the holder of utility securities to appraise closely the earning power of his security knowing that this liability is out of the way.

Based on the assumption that consumption of power, industrial, commercial and domestic, will continue to grow, and always having in mind that the rate of increase will bear a close relationship to general recovery, net earnings of the light and power companies should move ahead faster than has been the case in the last three or four years.

Assuming then growth of net earnings, the third question is:

* * *

Are dividends from electrical shares likely to increase?

Whether the probable improvement in net earnings of power utilities will develop into increased dividends depends partly upon political conditions as well as on the financial needs of the industry.

The financial "soft spot" in the Canadian power situation centres on the Island of Montreal. This was not due to overbuilding, but because of the cancellation of the Beauharnois Power contract by Ontario Hydro. There is, or could be made available, at least an additional 250,000 h.p. for this area. It would take many years of normal growth in demand in Montreal and vicinity before this surplus power could be absorbed. Were it not for this situation, the relationship between supply and demand across the Dominion would be in a particularly healthy state.

While the Ontario Hydro has so far refused to make a new contract with Beauharnois, there is a possibility that the Government-owned system may of necessity have to make a new agreement. On the basis of the present contracts with three other Quebec companies, Ontario Hydro has no more than a normal reserve of power.

New Era Opening

BY ITS very nature the distribution of electricity is confined to a relatively small area. It is not a commodity that can be easily or economically transported. Accordingly, the Beauharnois surplus is localized. Elsewhere the power operators are giving serious consideration to their requirements over the next few years. British Columbia Power Corp. has already started to install additional equipment at one of its larger power sites. In other parts of the Dominion several major developments are being planned to start before the end of the year or early in 1938.

The renewal of building by the power and light companies will call for large sums of capital. Many of the operators have not forgotten their difficulties in financing to completion unfinished developments when the financial market collapsed in 1929. They are not likely to be caught again in a similar situation. For that reason there will be a tendency to build up surplus reserves to pay in part for future expansion, though the major portion of the new capital costs will be financed through bond issues.

The second deterrent to the payment of larger dividends is the political situation, which in turn embraces the matter of government or municipal ownership. The economic upheaval of the past six years has made the public critical of public services, especially those which touch upon everyday life.

Political relations, then, may retard dividend increases. This leads to the fourth question:

* * *

Will political intrusion exert an adverse influence on power investments?

The causes of the mental unrest in the world today, of the constant swings of public opinion toward panaceas of all kinds—including dictators—are obviously economic in origin, and the results of these causes are becoming manifest in every sphere of human activity.

The light and power companies have been attacked in recent years by the demagogic politician because such attacks appeal to the person uninitiated in the economics of power generation and distribution. Electricity is a public necessity and because the raw material costs little or nothing, a large section of the public believes that it is paying exorbitant rates for service. The power companies have done a great deal, but not enough, to educate the consumer to the value which he receives for the amount paid for electric service.

Then there are those who sincerely believe that all public services should be run by the Government. The demagogues have been quick to take advantage of the unsettled times to work upon this hostility to the privately owned companies.

There are two ways in which provincial governments enter into the power business

First, there is regulation by a public utility board. With absolute control over finances, rates, extensions, new developments, etc.

The second plan is direct government interest in the power business through provincially owned commissions. Notable among these is the Hydro-Electric Power Commission

(Continued on page 18)

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Calgary Power	25	Ottawa Elec. Rly.	20
City Gas, London	27	Ottawa Light	27
City Gas & El.	24	Ottawa Electric	27
Can. West. Gas	18	Ottawa Gas	27
Cedar Rapids Mfg.	19	Power Corp.	29
Churchill River	21	Provincial L. & H.	19
Consumers' Gas	21	Power Corp.	24
Dominion Gas	29	Que.-N. Eng. Hyd.	19
Demarara Electric	28	Quebec Telephone	25
Duluth-Superior	22	Quebec Power	21
Eastern Light	21	Quinte & Trent	28
East Kootenay	29	South. Canada	19, 24
Foreign Power	24	Suburban R. Trans.	29
Great Lakes Power	22	Saguenay Power	28
Gatineau Power	19, 23	Saguenay Electric	28
Hamilton By-Prod.	27	Shawinigan	23, 25
Hydro-Elec. B. & S.	25	Sherbrooke Rly.	24
Hydro Elec. Sec.	24	Union Gas	27
Int. Power	28	United Suburban	27
Inter. Transit	22	United Gas & Fuel	27
Inter. Utilities	23	United Fuel	27
Inter. Hydro	22	Vancouver Pwr.	29
Jamaica P. S.	18	W. Kootenay Pwr.	29
Manitoba Power	29	Western Power	29
Maritime Elec.	21	W., Selkirk & L. W.	29
Montreal Island	29	Winnipeg El.	29
M. L. H. & P.	19, 20	Windsor Gas	27

Maritime Telegraph

Business Recovery Reflected in Operations and Earnings — Pay Larger Dividend — Refunding Old Bonds

Maritime Telegraph and Telephone Co.'s business has maintained a steady but not spectacular growth in the past year. According to the management, there is every indication that this upward trend will be continued and probably bettered during 1937.

Last year the company reported an operating revenue of $1.8 million, an increase of about $50,000 over that reported for the year before. Net income available for dividends totalled $372,803 as against $340,210 in the preceding year.

Owing to the increase in revenue the company declared an extra dividend of 1% on the common stock, making a total of 7% for the year.

The balance sheet position of the company at the end of 1936 reflects a minor decline in working capital. On the other hand, the investment in plant advanced during the year from just under $9.9 millions to over $10 millions.

Briefly the gross revenues of the company in 1936 were the largest reported since 1931, while net income, after taxes and depreciation, was larger than in any year since 1928.

Replacing Old Bonds

In order to take advantage of the cheap money market, Maritime Telegraph has called for redemption on July 1 next, all of its outstanding series A 5% bonds. The old issue is being replaced by a new 30-year, 4% first refunding mortgage bonds, series B, payable as to principal and interest in Canadian funds only, and not callable until June 30, 1943. The series B bonds will carry a special coupon at the rate of 5% per annum for the half year ending July, 1937.

At the end of last year the company had outstanding $3 millions of refunding and mortgage bonds. Upon completion of the present financing, the bonded debt will be increased to $3.5 millions, but owing to the lower coupon rate, there will be no increase in debt charges.

More Financing Planned

Further financial operation is contemplated by the company, application having been made to the Nova Scotia Board of Public Utilities for authority to issue bonds of a par value of $2 millions. The purpose of this issue, the application stated, is to redeem outstanding refunding and general mortgage 5% bonds totalling $1.5 million and to reimburse the company for expenditures already made for acquisition, construction and improvements to plant.

Capitalization—	Authorized	Outstanding
Pref., par $10	$7,500,000	$1,500,000
Com., par $10		3,652,210

Funded Debt—
Refunding bonds, series A, 5%, due 1956, outstanding $1,500,000. To be called for redemption July 1, 1937.
Series B, 6-4½%, due 1956, outstanding $1,500,000
Series C bonds, 4%, 1967, $2,000,000.

Dividend Record—
Preferred—7% per annum, payable Jan., April, July and Oct. 1; paid regularly.
Common—6% per annum, payable Jan., April, July and Oct. 1; paid regularly since initial payment at that rate on Apr. 1, 1933; former rate had been 8%; extra dividend of 10c. paid Jan. 2, 1937.

Head Office—Halifax.

Officers and Directors—
Officers — J. H. Winfield, pres. and man. dir.; W. A. Winfield, gen. mgr.; C. A. B. Bullock, compt.; T. N. Goudge, sec.-treas.
Directors—E. L. MacDonald, A. MacKinlay, R. A. Corbett, G. F. Pearson, J. H. Winfield, Halifax; J. E. MacPherson, C. F. Sise, Montreal; A. J. Campbell, Truro; George Killam, Yarmouth; James McConnell, Sydney; J. W. McLeod, New Glasgow; Hon. F. R. Davis, Bridgewater, N.S.

Years End. Dec. 31:	1936	1935	1934
Times Int. Earn.* ..	3.32	3.21	3.07

*After rent, miscellaneous deductions and other interest.

Earnings per Share and Dividend Record:			
7% pref.: Earned	$2.48	$2.27	$2.19
Paid	0.70	0.70	0.70
Common: Earned	0.73	0.65	0.62
Paid	0.60+0.10	0.60	0.60

Market Record—	1936 H	1936 L	1935 H	1935 L
Common	..	..	12¾	12
Preferred	15	15	15	14½

ATLANTIC UTILITIES
(Wholly owned subsidiary of Maritime Telegraph & Telephone Co.)

Capitalization—	Authorized	Outstanding
Com., n.p.v.*...	300,000 sh.	270,000 sh.

*Entire issued stock held by parent company.

Funded Debt—
1st mtge. & coll. trust 4% bonds, series B, due 1957, outstanding $500,000; 1st mtge. 6% bonds (closed) due 1943, of the Island Telephone Co., outstanding $100,000.

Officers and Directors—
Same as parent company.

Earnings—
Annual net earnings of the company, after deducting all operating and maintenance expenses, taxes and prior charges, and after depreciation, were as follows:

1930	$57,112
1931	77,893
1932	62,174
1933	Not available
1934	52,084
1935	61,759
1936	66,238

ROOFING •
Built-up Roofs, Asphalt Shingles, Etc.
INSULATION •
INSUL-BOARD.. moisture proof insulating board
FLOORING •
Colored Tile Flooring ... Industrial Flooring
BP BUILDING PRODUCTS LIMITED
MONTREAL TORONTO HAMILTON
WINNIPEG ST. JOHN, N.B. HALIFAX

Outlook Brightening for Power Investor Prospects Favorable

(Continued from page 17)

of Ontario. Others are to be found in Nova Scotia, New Brunswick, Manitoba and Saskatchewan.

With the exception of Ontario, it has been the policy in the other provinces not to come into conflict with the private companies. The systems have been set up for the purpose of developing power sites and supplying energy in areas where, in many instances, it is not economically possible to do so by private capital.

* * *

Quebec Situation

THE attack against the privately owned companies and the agitation for government or municipal ownership recently has been most marked in Quebec.

As far as the situation can be judged at this time, however, the entry of the provincial government into the power business will not affect seriously the established companies. The proposed increase in regulatory control, if properly directed, may prove beneficial.

* * *

What is the general prospect for power securities?

Of vital importance to the investor in any analysis of electric utility securities is the fact that the basic principle of utility regulation, namely a fair return on a fair value of the property to public service, has not been changed. This basic legal principle rests upon the constitutional prohibition against the taking of property without due process of law. Utilities are still able to appeal to the courts against low rates ordered by regulatory bodies which result in bringing down their income below what the courts conceive to be a fair return. However, it must be recognized that the sharp deflation in the price level 1929-1933, and a more critical attitude in fixing valuations on the part of some regulatory commissions and courts, have made this legal safeguard less effective than in the past.

* * *

Summary

IN SUMMARIZING those factors which are likely to have a bearing on earnings and the safety of investment in the light and power companies, the following appear to stand out:

1. Power consumption is moving forward and will gain acceleration as business recovery becomes more pronounced.

2. Gross earnings should go ahead more rapidly than in recent years, though not as fast as consumption energy.

3. Operating costs and taxes will increase, though the proportionate rise should be less as income expands.

4. Net revenues will increase faster than gross revenues.

5. Political agitation against privately owned companies will lessen as business grows more prosperous, though the situation in Quebec will need careful watching.

Expansion of plant, transmission and distribution facilities will be on a broader scale than in the past five years.

Though net earnings will advance, dividend increases are likely to be modest and especially will this be the case with Quebec light and power companies.

Hydro Buys Three Plants

Ontario Hydro acquired by purchase during 1936 three plants in the Trent Canal system at or near Lakefield. These three plants have a combined capacity of 4,200 h.p. and will be operated to augment the power supply of the Commission's eastern Ontario system.

Bell Telephone

Volume of Traffic and Earnings Last Year Best Since 1931 — Better Earnings Lead to Prospect of Increased Dividend

Recovery reported by the Bell Telephone Co. of Canada to date gives strength to the hope that before long steps will be taken by the directors to increase dividend payment to the shareholders. From 1891 to 1931 the company paid an annual dividend of 8%. From 1932 to 1933 the dividend was reduced to 6% at which point it has remained ever since.

Revenues of the company last year amounted to $38.4 millions; the best reported since 1931. Compared with the previous year there was an increase in gross of 5.3% while the net income available for dividends showed a larger gain. Earnings on the capital stock were equal to $6.96 a share as against $5.76 a share in 1935.

Strengthen Financial Position

Financially the company ended last year in a stronger position than it has reported for many years. The balance sheet showed an increase in property account, an advance in investments, and a much stronger liquid position. There was a moderate increase in the outstanding capital stock, which was partially offset by a decline in the net funded debt. Working capital at almost $5.4 millions, was more than double that reported at the end of the previous year.

Programme for 1937

At the beginning of the year the company reported that it was planning a gross outlay of $13.9 millions for expansion and improvements of facilities during 1937. Only a small proportion of this amount would represent new capital outlay, as credit for equipment and plant replaced will just about balance the outlay. Additions to dial equipment in Ottawa will be the major item of the 1937 programme. In Montreal, a new building is under construction to house the dial exchange, while in Hamilton the remaining manual instruments will be converted to dial. Other replacements and improvement work are planned for in a number of towns and cities in Ontario and Quebec. Additional long distance circuits to Winnipeg in the West and Saint John and Halifax in the East, to the Northern mining districts and between Toronto and Montreal, are to be installed.

Capitalization—	Authorized	Outstanding
Com., par $100	$150,000,000	*$78,570,900

*Of which 23.9% is held by the American Telephone and Telegraph Co.

Funded Debt—
5% first mortgage bonds, series A, due March 1, 1935, $30,000,000.
5% first mortgage bonds, series B, due 1937, outstanding $30,000,000.
5% first mortgage bonds, series C, due 1936, $7,500,000.
Notes sold to pension fund trustee $6,093,730.

Dividend Record—
Common—Present rate 6% per annum, payable quar., Jan., Apr., July, Oct. 15. Rate reduced from 8% to 7% July, 1932, and to 6% Apr. 15, 1933.

Head Office—Montreal.

Officers and Directors—
Officers—C. F. Sise, pres.; J. E. Macpherson, vice-pres.; P. A. McFarlane, vice-pres.; F. Johnson, vice-pres.; F. G. Webber, sec.; J. Cleugh, compt.; J. R. Logan, treas.
Directors—Hon. T. Ahearn, Ottawa, W. F. Angus, G. Caverhill, J. E. Macpherson, Lt.-Col. Herbert Molson, A. B. Purvis, C. F. Sise, P. F. Sise, Montreal; Hon. H. Cockshutt, Brantford; C. P. Cooper, W. S. Gifford, New York; K. J. Dunstan, Glyn Osler, Toronto; Sir G. Garneau, Quebec; Maj. Gen. Hon. S. C. Mewburn, Hamilton.
Executive Committee—Hon. T. Ahearn W. F. Angus, G. Caverhill, K. J. Dunstan, J. E. Macpherson, Lt.-Col. H. Molson, A. B. Purvis, P. F. Sise, C. F. Sise

Times Bond Interest Earned:†	1936	1935	1934
	2.62	2.33	2.42

†After deduction of "other interest," and debt discount and expense.

Earnings per Share and Dividend Record.			
Earned*	$6.94	$5.74	$6.20
Paid	6.00	6.00	6.00

*Based on shares outstanding as at Dec. 31.

Market Record—	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Com. ..	160½	140	145	118	131	110

EASTERN TOWNSHIPS TELEPHONE
(Controlled by Bell Telephone Co.)

Capitalization—	Authorized	Outstanding
Common, n.p.v. .	20,000 shs.	10,554 shs.

Dividend Record—
Common—Present rate 72c. per share per annum, payable Apr. and Oct. 15.

Head Office—Sherbrooke, Que.

Officers and Directors—
Officers—A. C. Skinner, pres.; H. B. Fletcher, vice-pres.; T. J. Harding, gen. mgr. and sec.-treas.
Directors—J. R. Collins, R. Neilson, J. E. Choquette, W. R. Stuart, Montreal; H. B. Fletcher, T. J. Harding, A. C. Skinner, Sherbrooke, Que.; J. W. Quinn, Windsor, Que.; C. L. Jenkins, Rock Island, Que.; D. B. Hopkins, Coaticook, Que.; E. T. McGovern, Richmond, Que

Earnings per Share and Dividend Record:	1935	1934	1933
Common: Earned	$0.54	$0.83	$0.82
Paid	0.72	0.72	0.72

FARMERS' TELEPHONE CO.
(Controlled by Bell Telephone Co.)

Capitalization—	Outstanding
Common, par $25	$99,400

Head Office—Howick, Que.

Officers and Directors—
Officers—G. O. Cameron, pres.; R. Neilson, vice-pres.; W. F. Welch, gen. man. and sec.-treas.
Directors — G. O. Cameron, W. R. Stuart, R. Neilson, Montreal; James McKell, John McKell, Riverfield, P.Q.; J. Houston, Howick Station, P.Q.; W. F. Welch, J. E. Ness, Howick, P.Q.

Earnings per Share and Dividend Record: Year End. Dec. 31:	1935	1934	1933
Com.: Earned ...	$1.27	$1.14	....
Paid	1.25	1.12½	....

N. B. Telephone

New Brunswick Telephone Co. has experienced a gain in service and revenue over the past year. While the improvement was not as marked as had been anticipated by the management, still the trend was in the right direction. There was an increase of 577 in the number of stations installed, compared with a gain of only 174 the year before. This brought the number of telephones in service to 29,366 as compared with a peak 33,480 reported for 1931. Greater progress was made in the use of long distance lines. Last year the company completed over 814,000 long distance calls, an increase of about 73,000 over 1935.

Reflecting this expansion in operations, the company had a gross revenue last year of $1.3 million, an increase of around $47,000 over that reported for the year previous. The gain is carried down into net profits and after payment of dividends on the capital stock there was a surplus for the year of $26,851.

Capitalization—	Authorized	Outstanding
Com., par $10 ..	$6,000,000	$5,784,840

Dividend Record—
Common—Present rate 5% per annum, payable Jan., April, July and Oct. 15; reduced from 8% to 6% April, 1932, and to 5% Jan., 1933.

Head Office—Fredericton, N.B.
Executive Office—Saint John, N.B.

Officers and Directors—
Officers—Hon. F. B. Black, pres.; J. E. Macpherson, H. P. Robinson, vice-pres.; N. E. Moore, sec.-treas.; O. J. Fraser, gen. mgr.
Directors—W. C. Allison, W. E. Golding, *H. P. Robinson, J. M. Robinson, Saint John, N.B.; *Hon. F. B. Black, Sackville, N.B.; R. B. Hanson, Fredericton, N.B.; E. W. Mair, Woodstock, N.B.; *J. E. Macpherson, Montreal; Harry O'Leary, Richibucto, N.B.; *F. R. Sumner, Moncton, NB.; *N. M. Mills, St. Stephen, N.B.; G. P. Burchill, South Nelson, N.B.; W. J. Kent, Bathurst; Hon. G. B. Jones, Apohaqui; J. E. Michaud, Edmundston.
*Members of executive committee.

Earnings per Share and Dividend Record: Years End. Dec. 31—	1935	1934	1933
Earned	$0.53	$0.53	$0.49
Paid	0.50	0.50	0.50

Jamaica Public Service

Continued improvement in earning power of Jamaica Public Service Ltd., resulted in advancing the annual dividend rate from $1.50 to $1.75 a share.

Preliminary figures indicate consolidated earnings in 1936 at $875,-425, a gain of $16,027 over the year before. Surplus available for distribution on the capital stock amounted to $242,466, a slight drop from the previous year, but equal to more than $2 a share on the common.

The consolidated balance sheet at the end of last year shows a maintenance of working capital; further reduction in funded debt, and a moderate increase in surplus account.

Capitalization—	Authorized	Outstanding
Common, n.p.v. .	60,000 sh.	45,000 sh.

Dividend Record—
Common — Present rate $1.50 per share per annum, payable Jan. 3, April 1, July 3 and Oct. 2. Initial dividend of 25c. per share paid Oct. 2, 1930; regular quarterly payments at that rate to July, 1935; increased to $1.50 with payment of 37½c. Oct., 1935

Head Office—Montreal.

Officers and Directors—
Officers—Russell D. Bell, pres.; Abner Kingman, G. H. Clifford, vice-pres.; V. D. Vickery, sec.; J. T. G. Nichols, treas.; A. S. Nichols, vice-pres. and mgr. of oper. subsidiaries.
Directors — Russell D. Bell, D. J. O'Donahoe, J. C. Smith, Abner Kingman, G. H. Clifford, Montreal; A. S. Nichols, Kingston, Jamaica; Sir William E. Stavert, London.

Times Interest and Amortization Earned:	1935	1934	1933
Before retire res.	3.41	3.08	2.88
After retire. res.	2.53	2.26	2.09

Earnings per Share and Dividend Record:			
Common: Earned	$2.30	$1.75	$1.48
Paid	1.25	1.00	1.00

Market Record—	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Com.	37¾	33	33¼	22	20	20

JAMAICA PUBLIC SERVICE CO.
(Controlled by Jamaica Public Service, Ltd.)

Capitalization—	Authorized	Outstanding
Ord., par $5 ...	$1,000,000	†$750,000
Pref., par $100§	750,000	750,000
Pref. B, par £1 .	500,000	*323,000

*Divided into 66,369 shares of £1 par value and one share of par value 17s. 3½d.
†Entirely owned by parent company.
§2,864 shs. owned by parent company.

Funded Debt—
1st mtge. deb. stk. 4½% C, due 1965, outstanding $2,044,000.

Dividend Record—
Preference—7% per annum, cumulative, payable quarterly in Canadian funds, Jan., April, July and Oct. 1. Paid regularly.
Preference B — 7% per annum, cumulative, payable in sterling, Jan., April, July and Oct. 1. Paid regularly.
Ordinary—Special dividend of 25c. per share paid Oct. 1, 1928, and 75c. per share April 1, 1929. In 1934, 7½c. paid Mar. 31, June 30 and Sept. 29, and 17½c. Dec. 31. 40c. paid in 1935.

Officers and Directors—
Officers—Russell D. Bell, pres.; Abner Kingman, G. H. Clifford, vice-pres.; J. McIntosh Clark, sec.-treas.; A. S. Nichols, vice-pres. and mgr., Kingston, Jamaica.
Under Supervision of—Stone & Webster Service Corp., Boston, Mass.
Directors — Russell D. Bell, Abner Kingman, D. J. O'Donahoe, J. C. Smith, G. H. Clifford, Montreal; Sir William E. Stavert, London; A. S. Nichols, Kingston, Jamaica.

Head Office—Kingston, Jamaica.

Market Record—	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Pref.	130	123¼	126	115	115	97

Can. Western

Sales of Canadian Western Natural Gas, Light, Heat & Power Co. showed further improvement in 1936. Earnings for the year, however, are not known, as the company has yet to publish its annual report. Net profit in 1935 was equivalent to $4.22 a share on the common stock and to $17.34 a share on the preferred stock. Common share dividends in 1936 totalled $3 a share.

If and when economic recovery develops in Alberta to the same extent as in eastern Canada, earnings of the company should show substantial improvement. Earnings may, however, be adversely affected in future by the cost of securing its gas requirements.

In the 1936 report of Dominion Gas & Electric, which controls Canadian Western Natural Gas, it is stated that the gas supplies of the company have principally been obtained from the Turner Valley field. The reserves in that field are, in the absence of any effective plan of conservation, steadily being depleted through the withdrawal of gas for gasoline extraction purposes.

CAN. WESTERN NATURAL GAS
(Controlled by Dominion Gas & Electric)

Capitalization—	Authorized	Outstanding
Ord., par $100 ..	*$9,000,000	$8,000,000
Pref., par $100 .	4,000,000	†3,500,000

*Over 94% owned by Dominion Gas & Electric Co.
†Of which 5,047 shares have been redeemed and cancelled through the operation of the capital redemption reserve fund

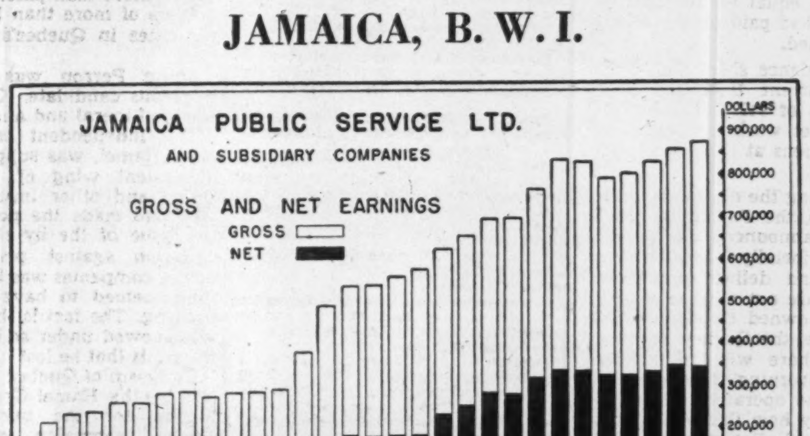
Dividend Record—
Preferred—6% per annum, cumulative, participating, payable Mar., June, Sept. and Dec. 1; paid regularly.
Ordinary—No set rate; payments now made at irregular intervals. $2 paid Jan., 1933 (of which $1 was declared Dec., 1932); $2 paid June, 1933; $1 paid March, 1934; $3 paid in 1935; $3 in 1936; $1 Jan., 1937.

Officers and Directors—
Officers—H. R. Milner, pres. and man. dir.; E. W. Bownes, vice-pres.; P. D. Mellon, supt and chief eng.; H. S. Watts, sec.-treas
Directors—H. R. Milner, Julian Garrett, Edmonton, P. D. Mellon, H. S. Watts, S. E. Slipper, E. W. Bowness, Calgary; A. G. Baalim, Lethbridge; F. W. Seymour, New York.

Earnings per Share and Dividend Record:	1935	1934	1933
Pref.: Earned ...	$17.34	$14.47	$15.29
Paid	6.00	6.00	6.00
Ordinary: Earned	4.22	3.41	3.89
Paid	3.00	2.00	3.00

GROWTH and STABILITY

JAMAICA, B. W. I.



The Upward Trend of This Utility's Business Is Shown in the Following Table:

Year	Gross Earnings	Net Earnings	Year	Gross Earnings	Net Earnings
1908	$217,410	$118,326	1931	$829,598	$336,273
1912	261,080	116,956	1932	790,917	325,668
1916	286,321	134,370	1933	802,259	327,108
1920	490,180	151,288	1934	829,752	335,935
1924	579,055	186,651	1935	859,397	350,575
1928	697,876	282,371	1936	875,425	346,246

The above figures translated from £ Sterling at the rate of $4.86-2/3 to the £1

CONSOLIDATED CAPITALIZATION
Outstanding in the Hands of the Public, Dec. 31, 1936

DEBENTURE STOCK:
Jamaica Public Service Co., Ltd.
Series "C" 4½'s (£414,060) $2,015,092

PREFERENCE SHARES:
Jamaica Public Service Co., Ltd.
Preference 7% Cumulative $100 Par .... $ 449,700
Preference "B" 7% Cumulative £1 Par 314,191

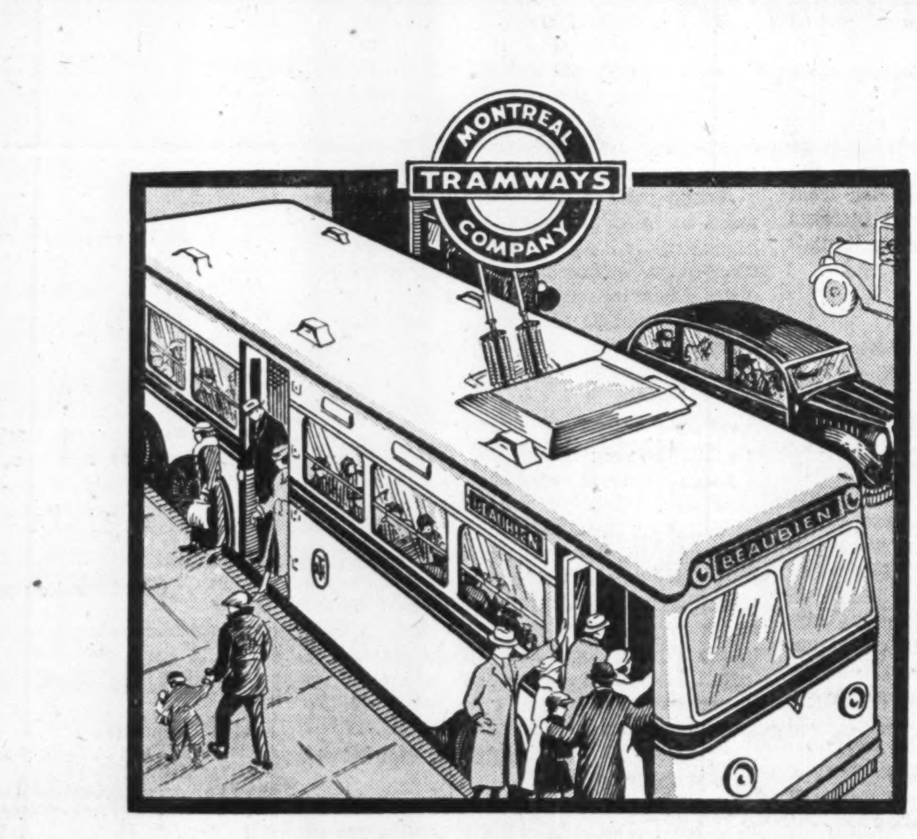
CAPITAL STOCK:
Jamaica Public Service Ltd.
No Par Value .... 45,000 shares

Jamaica Public Service Limited, a Canadian company, owns all of the Ordinary and certain of the Preference shares of Jamaica Public Service Company, Limited.

Jamaica Public Service Company, Limited does the entire electric lighting and power business in Kingston and adjacent territory, and also operates the electric tramway system supplemented by buses. Kingston is a growing seaport and principal city on the Island. Through a wholly owned subsidiary this company provides the entire electric lighting and power and ice business in Montego Bay and Port Antonio, which communities rank next to Kingston in size and importance. Combined population served by both operating companies is estimated at 150,000. Gross earnings for 1936 were derived 72% from electric, 24% from transportation and 4% from ice business.

Dividends on both classes of Jamaica Public Service Company, Limited 7% Preference shares have been paid regularly since their issuance. Quarterly dividends at the annual rate of $1.00 per share were inaugurated on the capital stock of the Canadian company on October 1, 1930, which annual rate was increased to $1.50 per share beginning October 1, 1935, and to $1.75 per share beginning October 1, 1936.

Jamaica Public Service Limited
and Subsidiary Companies
Serving
KINGSTON MONTEGO BAY PORT ANTONIO



THE recent addition of 7 ultra-modern Trolley Buses to its rolling stock is typical of the forward policy which has for years characterized the Montreal Tramways Company. Specially designed and manufactured in England to meet Montreal conditions, these new Trolley Buses are unsurpassed by any similar public transportation vehicles in the world.

The Company's record of leadership in service, maintenance and operation is being maintained.

MONTREAL TRAMWAYS COMPANY
Supplying regular daily transportation for 80% of Montreal citizens.

Montreal Power

Share Earnings Show No Change — Exchange Own Bonds for Those of Beauharnois

Montreal Light, Heat and Power Consold. reports an output of electricity in 1936 about 5% greater than in the preceding year. On the other hand, gas sales have fallen off since 1930, though the decline in 1936 amounted to only 0.18%. There was practically no change in the net profit last year, earnings per share having amounted to $1.75 as against the same figure in 1935.

These figures do not indicate the expansion in earning power, as gross earnings totalled $24.7 millions — against $24.1 millions in the previous year. Failure to report an increase in net was due to an increase in operating costs and taxes. The gain in expenses was owing to inability of the company to market all of its available power.

Reduce Fixed Charges

One factor which enabled the company to maintain its net earnings position last year was a reduction in fixed charges. During 1936 the company redeemed $32 millions of mortgage and debenture debt, which was replaced by a new issue of only $15 millions, the balance of the money coming from the treasury.

Another change in the financial set-up has to do with the move undertaken by the company to protect its stake in Beauharnois Power Corp. The loss of revenue from Ontario Hydro made it apparent that Beauharnois Light, Heat and Power Co. would not be able to meet interest payments. Rather than permit default and consequent bankruptcy, Montreal Power, which owns a majority of the common shares of Beauharnois Power Corp., the holding company, proposed that holders of the operating company's bonds should exchange them for those of Montreal Power.

This offer was accepted and as a result, Montreal Power issued $22.6 millions of 3½% bonds par for par for a like amount of first mortgage 5½% income bonds of Beauharnois Light, Heat and Power Co. To the end of last year the company had received interest on the Beauharnois income bonds equal to the interest the company had paid on the bonds that were issued.

The 1936 balance sheet shows an excess of current liabilities over current assets of $423,340, contrasting with a net working capital of over $6.5 millions at the end of the previous year.

In recognizing the desire for public ownership, the Provincial Government has announced that it will set up a provincially-owned system to develop and deliver power in areas which are not now served by the privately-owned companies. At the same time, the Quebec Premier stated that there will be stricter regulations governing operations and finances of the operators. It is impossible to say how this policy will affect Montreal Power until the Government has brought down the proposed legislation.

Capitalization— Authorized Outstanding
Com., n.p.v. .. 10,000,000 sh. 4,489,005 sh

Funded Debt—
1st mtge. and coll. trust 3½%, due 1973, outstanding $22,588,300; 3½%, due 1956, $10,000,000; 2½%, due serially 1937-41 $5,000,000.
Convert. debs., 3%, due 1939, $22,596,700

Dividend Record—
Common—$1.50 per share per annum, payable quarterly, on the last days of Jan., April, July and Oct.

Head Office—Montreal.

Officers—Sir Herbert S. Holt, chm.; J. S. Norris, pres.; G. H. Montgomery, vice-pres.; C. S. Bagg, vice-pres. and gen. mgr.; S. Godin, Jr., vice-pres.; G. R Whatley, sec.; C. C. Parkes, asst. sec.; P. C Drake, treas.; A. N. Sainte-Marie asst. treas.

Directors — J. E. Aldred, New York, G. Caverhill, S. Godin, Jr., Sir Charles B. Gordon, Sir Herbert S. Holt, J. C Smith, J. S. Norris, J. W. McConnell G. H. Montgomery, T. B. Macaulay, Hon J. M. Wilson, Hon. J. P. B. Casgrain Montreal.

Earnings per Share and Dividend Record.

	1936	1935	1934
Common: Earned	$1.75	$1.75	$1.78
Paid	1.50	1.50	1.50

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Com ..	36¼	30	36¾	26¾	39½	26¾

QUEBEC-NEW ENGLAND HYDRO
(Wholly owned by Montreal Light, Heat & Power Consolidated)

Capitalization—
Authorized and issued, $350,500.
All owned by Montreal Light, Heat & Power Consolidated.

Officers and Directors—
Officers — J. S. Norris, pres.; C. S. Bagg, vice-pres.; G. R. Whatley, sec.-treas.
Directors—J. S. Norris, C. S. Bagg, G. R. Whatley, G. H. Montgomery, S. Godin, Jr.

MONTREAL LIGHT HEAT & POWER
(Controlled by Montreal Light Heat & Power Consolidated)

Capitalization— Authorized Outstanding
Com., par $100 $22,000,000 $18,800,000
Over 99% of this stock owned by Montreal Light Heat & Power Consolidated.

Dividend Record—
8% per annum payable quarterly on the 15th Feb., May, Aug. and Nov.

Head Office—Montreal.

Officers and Directors—Same as Montreal Light Heat & Power Consolidated, with the exception of J. W. McConnell and Hon. J. M. Wilson who are not on the board of this company.

PROVINCIAL LIGHT & HEAT
(Controlled by Montreal Light Heat & Power Co.)

Capitalization— Authorized Outstanding
Com., par $100... $500,000 $500,000
Over 99% held by Montreal Light Heat & Power Co.

Funded Debt—
First mortgage 5% bonds, due 1946; outstanding $712,000.

Head Office—Montreal.
Officers—Same as Montreal L. H. & P. Company.
Directors—Sir Herbert S. Holt, J. S. Norris, S. Godin, Jr., G. H. Montgomery, all of Montreal; J. E. Aldred, New York

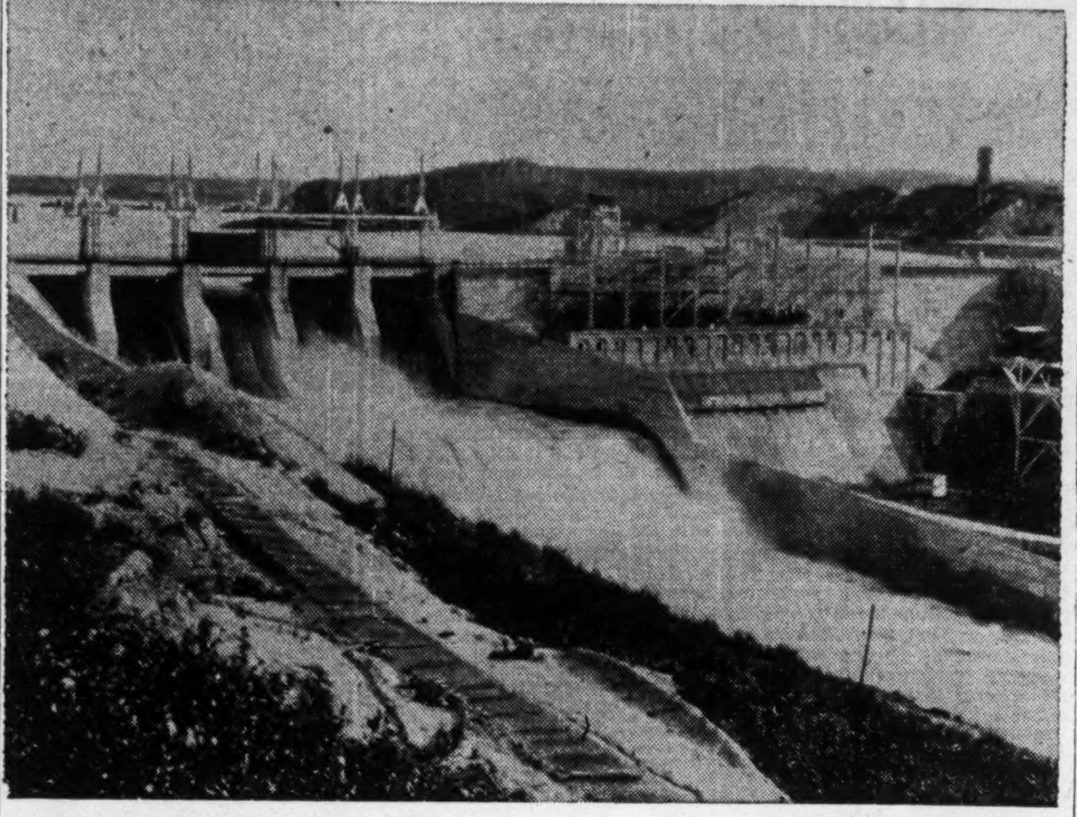
CEDAR RAPIDS MANUFACTURING
(Controlled by Montreal Light Heat & Power Consolidated)

Capitalization— Authorized Outstanding
Com., par $100.. $10,000,000 $8,900,000
Over 99% of the stock is held by the Montreal Light Heat & Power Consolidated.

Funded Debt—
First mortgage 5% bonds, due 1953, outstanding $13,418,400.

Dividend Record—
3% per annum payable quarterly, on the 15th of Feb., May, Aug. and Nov., on all unexchanged stock. Paid regularly.

Head Office—Montreal.
Officers — J. S. Norris, pres.; G. H Montgomery, vice-pres.; C. S. Bagg, vice-pres. and gen. mgr.; G. R. Whatley, sec.; C. C. Parkes, asst. sec.; P. C Drake, treas.; A. N. Sainte-Marie, asst treas.
Directors—J. E. Aldred, New York: J. S. Norris, Sir Herbert S. Holt, G. H Montgomery, J. W. McConnell, Montreal



ABITIBI CANYON SUPPLIES THE NORTH

Firm power load at the Abitibi Canyon plant of the Hydro-Electric Power Commission of Ontario has risen over 25% in the past year, as new and old mines have increased production activities. This view from the east side shows water flowing north to James Bay through the sluiceways into the overflow channel. The top of the power plant in the huge canyon beyond is also depicted.

Peak load in February, including primary and secondary power, was 183,500 horsepower. Growing use of power in northern Ontario has led to plans for construction of dams at a cost of some $500,000 to increase the capacity of the plant by controlling the flow of water.

Quebec Looks at Power

Political Developments Watched Closely by Investors in Province's Public Utilities

By EDWARD JAMES

When last week J. Emile Perron, National Union candidate, was elected to the Quebec legislature to represent Beauce County, the event was of more than passing interest to holders of more than $6 millions of securities in Quebec's public utilities.

Emile Perron was the official Duplessis candidate. Opposing him were a Liberal and an Independent.

The Independent candidate, Dr. Jules Hamel, was supported by the dissentient wing of the National Union and other insurgent groups who had made the power question the issue of the by-election. Their agitation against privately-owned power companies was loud and for a time seemed to have considerable backing. The fact is that Dr. Hamel was snowed under so completely at the pools that he lost his deposit.

Criticism of Quebec utilities spurred by the Hamel-Gregoire-Drouin faction for the purpose of the Beauce campaign pre-dates the depression from which French Canada suffered to no less extent than the rest of the Dominion. The Taschereau Government, during its 40-year-life, critics claim, had done little in this field for the province itself, and had, in fact, made too liberal concessions to outside interests. The depression, it is believed, simply hastened the inevitable demand for a political turnover.

Under the leadership of Maurice Duplessis, a member of the Opposition when the old Government was in power, the forces of discontent were welded together. When the provincial election of 1935 took place, the Taschereau Government was returned to power but without an adequate working majority. Shortly after, Hon. L. A. Taschereau resigned and was succeeded by Hon. Adelard Godbout. The latter was not successful in holding power and another election took place.

The development of a nationalistic policy was one of the principal planks of the Duplessis forces. It received overwhelming support from French and English speaking voters alike. This latter fact is not appreciated outside of the province, a commonly-held belief being that the National Union party had as its principal objective the "setting up of a French Canadian republic along the shores of the St. Lawrence River."

The National Union party, with Premier Maurice Duplessis at its head, firmly believes that the French Canadian should be a greater force in the economic life of the province. There is no doubt but the Government will do its best to achieve that objective by constitutional means. It is recognized by French Canadian leaders that the transfer of greater economic responsibilities to the French Canadian may be best accomplished by a gradual change rather than by an abrupt disturbance of established institutions.

Six Large Distributors

There are six major power companies whose securities are widely held by institutions, estates or individuals, and which are interested in domestic business.

The Northwestern Quebec mining area is served by the Northern Quebec Power Co., a wholly owned subsidiary of Canada Northern Power Corp., which in turn is controlled by Power Corp. of Canada. The larger part of this company's business is done with the mines, the contracts being on a life-of-mine basis. It also does a fair domestic business in the towns in that area. This company might be affected by the Government's new policy, but only to the extent that domestic rates might be affected.

Farther north and to the east in the Lake St. John and Saguenay district is the Saguenay Power Co. This operator is almost entirely a wholesaler of power, serving the Aluminum smelter at Arvida and the pulp and paper mills. Its domestic business accounts for a small fraction of the total output and has practically no bearing on earning power.

Several Rate Reductions

Quebec Power Co. serves Quebec City. Before it came into being, the area was served by a number of companies; service was bad and rates high. Since taking over, Quebec Power has brought into being a highly efficient system and has reduced rates on several occasions. The last reduction went into effect at the beginning of the year.

Shawinigan Water and Power Co. serves the area centring on the St. Maurice Valley and on the north and south shore of the St. Lawrence River. Over 80% of the company's revenue is derived from power sales and sources other than domestic service. Its domestic rates are as low, if not lower, than anywhere else in the province.

The Eastern Townships area is served by Southern Canada Power Co. This company serves a large number of industries with their power requirements.

New Rate Basis

The city of Montreal and Island of Montreal is served by Montreal Light Heat and Power Cons. Not long ago the company put its rate schedule on a more scientific basis, which resulted in a reduction of domestic rates. Premier Duplessis has stated that he intends to bring about a further reduction in the company's rates.

Along the Ottawa River and in the Gatineau district, service is supplied by Gatineau Power Co. The domestic business is relatively small, nearly all of the output being sold in large blocks to Ontario Hydro and industrial users.

From the foregoing brief surveys it will be seen that practically all of the domestic business in the province is handled by Montreal Power, Quebec Power, Southern Canada Power and Shawinigan Water and Power, their relative importance being in the order named.

Investors are Protected

As far as can be gathered officially and unofficially the National Union power policy will not jeopardize the financial security of the power companies. Further rate reductions in the domestic field are possible, but it is difficult to conceive of the adjustment being sufficiently severe to affect dividends. However, it would seem that as the business of the power companies increases, there will be more inclination to pass the improvement along to the consumer.

Dependable Investments

A. E. AMES & CO.
LIMITED

Business Established 1889

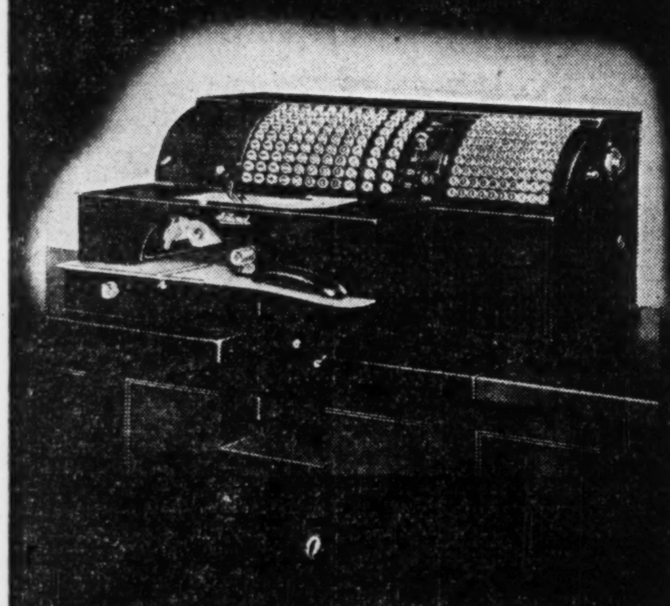
Purchasers and Distributors of Government, Municipal & Corporation SECURITIES

TORONTO

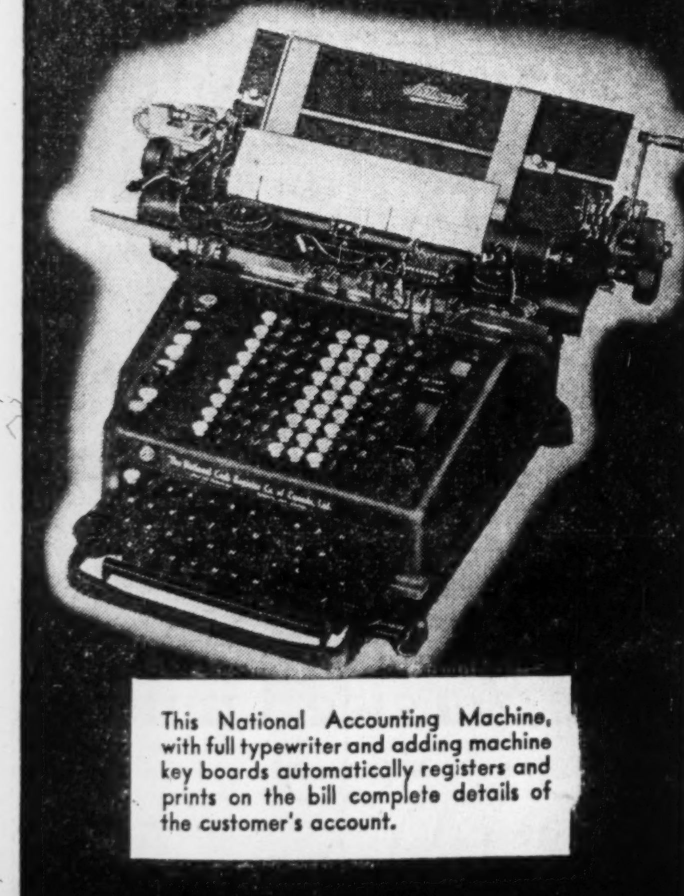
Montreal Winnipeg Vancouver Victoria
New York London, Eng.

Suggestions on request

CANADIAN PUBLIC UTILITIES Secure FASTER, MORE ECONOMICAL ACCOUNTING Control!



This National Cash Register, in addition to classifying all transactions, prints particulars on stub and original of customer's bill and automatically cuts off and deposits the stub in a locked receptacle.



This National Accounting Machine, with full typewriter and adding machine key boards automatically registers and prints on the bill complete details of the customer's account.

From Halifax to Vancouver Public Utility Companies use National Cash Register Systems in order to have complete, speedy, error-free mechanical control of all accounts.

National Cash Register Systems assure these companies at all times of positive safeguarding of all moneys received, accurate accounting of all charges, a minimum of costly figuring, increased net income — and absolute protection for everyone responsible for money or records. Thus every avenue of possible error and loss is safeguarded.

A National Cash Register representative in your vicinity is fully equipped to discuss YOUR problem of CONTROL and will welcome the opportunity of discussing this system with you.

The National Cash Register System Affords These Advantages

SAVES TIME AND LABOR — In the few seconds required to certify the customer's bill, all detail connected with the registering of a transaction is automatically completed. The old method of giving customers a rubber stamped or hand-written receipt, necessitated additional detail work without any assurance of accurate records.

INSURES ACCURACY — The printed figures on both the main portion and stub of the bill insure (a) That the customer's receipt and office records are identical; (b) That an accurate record has been retained for crediting the payment to the customer's account, and (c) That all money received is accounted for.

Provides COMPLETE mechanical control of accounts; minimizes errors; checks accuracy of cashiers; gives a quick balance; speeds up service; and — PROTECTS the customer, the cashier, and the company.

CANADIAN PUBLIC UTILITY COMPANIES *using* National Cash Register Systems

Alberta Government Telephones, Edmonton, Alta.
British Columbia Electric Railway Company, Ltd., Vancouver, B.C.
British Columbia Telephone Company, Vancouver, B.C.
Canada Electric Co., Amherst, N.S.
City Gas and Electric Corporation, Ltd., Quebec, Que.
Consumers' Gas Company, The, Toronto, Ont.
Gatineau Power Co., Ottawa, Ont.
Government Telephones of Manitoba, Winnipeg, Man.
Hydro Electric Commission, St. Catharines, Ottawa and Guelph, Ont.
Maritime Telegraph & Telephone Company, Ltd., Halifax, N.S
Montreal Coke & Manufacturing Company, Ville La Salle, Que.
Montreal Light, Heat & Power Consolidated, Montreal, Que.
Montreal Water & Power Company, Montreal, Que.
New Brunswick Telephone Company, Ltd., Saint John, N.B.
Newfoundland Light & Power Company, Ltd., St. John's, Nfld.
North Shore Power Co., Three Rivers, Que.
Northwestern Utilities Limited, Edmonton, Alta.
Nova Scotia Light, Heat & Power Co. Ltd., Halifax, N.S.
Ottawa Electric Company, Ottawa, Ont.
Ottawa Light, Heat & Power Company, Ltd., Ottawa, Ont.
Power Commission, Saint John, N.B.
Quebec Power Company, Quebec, Que.
Quebec Railway, Light & Power Company, Quebec, Que.
Saskatchewan Government Telephones, Regina, Sask.
Scarborough Public Utilities Commission, Toronto, Ont.
Union Power Company, Drumheller, Alta.
Winnipeg Hydro Electric System, Winnipeg, Man.

THE NATIONAL CASH REGISTER COMPANY OF CANADA LIMITED

Head Office and Factory, TORONTO, ONT. Branches in All Principal Cities

Beauharnois

Efforts to Re-establish Contract With Ontario Hydro Still Unsuccessful — Foreclosure Avoided

Beauharnois Power Corp., owning control of one of the largest single hydro-electric power developments on the North American continent, continues to be beset with financial, contract and other troubles. Under the original set-up, the company was financed on a basis that revenue from contracts with Ontario Hydro and Montreal Power, would provide sufficient income to take care of interest on the operating company's first mortgage bonds, as well as on its own collateral trust bonds. Political troubles forced a reorganization and in 1932 Montreal Power stepped into the picture by taking over control. The troubles of Beauharnois Power did not end there. Toward the end of 1935 Ontario Hydro cancelled its contract. The loss of this business made it impossible for the company to meet obligations in connection with the operating company's first mortgage bonds.

Montreal Power Offer

When faced with the likelihood of a default of interest payments, and in turn bankruptcy, Montreal Power came forward with a deal whereby holders of Beauharnois Light, Heat and Power Co. 5½% first mortgage bonds could exchange their bonds for 3½% first mortgage bonds of Montreal Power on a par for par basis.

This offer was accepted by a majority of the bondholders. The Quebec Electricity Commission gave its approval on the understanding that any possible saving on interest would be passed along to the holders of the junior securities, in this case, the Beauharnois Power collateral trust bondholders.

Meanwhile the company made efforts to enter into a new contract with Ontario Hydro. In this it was unsuccessful. Also steps were taken to enforce the legality of the contracts and this matter is still in the courts.

There has been considerable speculative interest in Beauharnois collateral trust bonds on the report that Ontario Hydro would have to renew the contract in order to take care of its power requirements and, secondly, that Beauharnois would be able to market its surplus power in northern New York State.

Premier Hepburn and Attorney-General Roebuck, of the Ontario Government, have definitely stated on several occasions that a new contract will not be made with Beauharnois. The matter does not necessarily end there, but the prospects of a legal enforcement of the old agreement are not particularly promising.

The report that the company would be able to market its surplus power in northern New York has been denied on several occasions by officers of the company. They point out there is already a surplus of power in that area and that, aside from the difficulty of securing a license for the export of any large block of power, there are unused power producing facilities in New York State which could be brought into service to take care of a greatly increased load if, as and when necessary.

The position of the Beauharnois collateral trust bonds is decidedly obscure. There is practically no prospect of the company having sufficient revenue to pay interest when it becomes due, while there would be no advantage in enforcing the security. It would appear, therefore, that the collateral trust bondholders will of necessity have to wait until such time as the company is able to market its surplus power and build up revenue to the point where the company can meet its obligations on the collateral bonds.

Capitalization— Authorized Outstanding
Common, n.p.v. 762,000 shs. 762,000 shs.

Funded Debt—
Collateral trust bonds, 5%, due 1973, outstanding $36,000,000.

Head Office—Montreal.

Officers — John S. Norris, chm. and pres.; G. H. Montgomery, vice-pres.; R. A. C. Henry, gen. mgr.; C. C. Parkes, sec.; P. C. Drake, treas.

Directors — Arthur F. White, T. A. Russell, J. H. Gundy, Toronto; G. H. Montgomery, Norman J. Dawes, Aimé Geoffrion, S. Godin, Jr., John S Norris, M. W. Wilson, C. S. Bagg, Montreal; Hon. Lucien Moraud, Quebec, Que.

Consolidated Income Account
Years Ended Dec. 31

	1936 $	1935 $
Gross revenue	1,645,429	2,872,882
Expenses	‡212,630	§563,480
Taxes	270,627	......
Reorganization exp.	54,418	......
Directors' fees	5,900	5,895
Net revenue	1,101,854	2,303,507
Fixed charges	1,153,912	1,759,343
Operating profit	*52,058	544,164
Add: Other income	17,820	1,631
Less: Deprec. & amort.	......	545,795
Deficit for year	34,238	......
Add: Previous deficit	159,501	159,501
Deficit forward	193,739	159,501

‡Includes: legal fees, $28,712; executive salaries, $34,000. *Loss. §Legal fees for the year amounted to $8,103 and executive salaries to $37,462 of which $1,924 and $26,097 respectively are included herein.

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Com.	7½	1¾	7⅛	2½	9⅛	3⅛

BEAUHARNOIS LIGHT, HEAT AND POWER
(Owned by Beauharnois Power Corp.)

Capitalization— Authorized Outstanding
Com., par $100.. $4,000,000 $4,000,000
All owned by Beauharnois Power Corp. and subject to the specific charge securing the collateral trust bonds of that company.

Funded Debt—
First mtge. bonds, series A, 5½%, due 1973, outstanding $38,155,900.
Second mtge. bonds, 5%, due 1973, †issued $36,000,000.
†Deposited as collateral security for parent company's collateral trust bond issue.

Ottawa Traction

Earnings Hold Up, Allowing 2% Dividend on Common

Ottawa Traction Co., holding company for Ottawa Electric Railway, has been able to maintain net income at a level sufficient to cover the 2% dividend on the common. Last year the operating company reported an increase in gross receipts of $23,088. General expenses were reduced and after payment of bond interest and depreciation, there was a surplus of $132,192 or almost $8,000 better than in 1935.

There is no investment interest in the stock of Ottawa Electric Railway, Ottawa Traction holding all of the outstanding capital, with the exception of directors' qualifying shares. The common stock of Ottawa Traction is closely held, so that public investment interest in the enterprise lies principally in Ottawa Traction's funded debt which amounted to $2.3 millions at the end of last year. These bonds are secured by a similar number of Ottawa Electric Railway's first mortgage bonds.

Better Earnings Likely

From 1914 to 1928, Ottawa Traction made a regular distribution of 4% and 1% bonus annually on its common. No further payments were made until April, 1934, when the present rate of 2% per annum was instituted. Of late years the operating company's working capital position has not been altogether satisfactory due to heavy expenditures on equipment. The renovation programme has been completed and no major expenditures are anticipated for the time being. A further improvement in earning power, as in the case of other tramways systems, is dependent upon return to normal employment conditions.

Capitalization— Authorized Outstanding
Com., par $100 .. $10,000,000 $5,607,600

Funded Debt—
1st mtge. and collat. trust A bonds, 5½%, due 1955 .... $2,390,500

Dividend Record—
Common—Present rate 2% per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial payment at this rate made on Apr. 2, 1934, and regularly since. No dividends were paid from Apr. 2, 1928, to and including Jan. 2, 1934. Formerly 4% per annum.

Head Office—Ottawa.

Officers and Directors—
Officers—Hon. T. Ahearn, pres.; Major F. D. Burpee, vice-pres.; G. L. Snelling, sec.-treas.
Directors — Hon. T. Ahearn, T. F. Ahearn, T. Workman, G. F. Henderson, Col. G. P. Murphy, Major F. D. Burpee, Capt. O. G. Whelen, J. F. Smellie, Ottawa; H. W. Soper, Montreal.

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Com. ..	22	15	22	14	20	5

OTTAWA ELECTRIC RAILWAY
(Controlled by Ottawa Traction Co.)

Capitalization— Authorized Outstanding
Common, n.p.v. .. 40,000 shs. *35,197 shs.
*Of which the parent company holds 35,047 shares.

Funded Debt—
First mortgage 5½% bonds, series A, due 1955, outstanding $2,390,500.
The entire issue pledged as security for parent company's bonds.

Dividend Record—
Common—Present rate $3.20 per share per annum, payable Jan., April, July and Oct. 1. Initial payment at this rate being made on Apr. 2, 1934, and regularly since. No dividends were paid from Apr. 2, 1928, to and including Jan. 2, 1934. Formerly 8% per annum on old $100 par value shares.

Officers and Directors—
Officers—Hon. T. Ahearn, pres.; Major F. D. Burpee, vice-pres.; G. L. Snelling, sec.-treas.; J. M. Ahearn, asst. mgr. and pur. agent; A. J. Tobin, supt.
Directors—Hon. T. Ahearn, Major F. D. Burpee, T. Workman, T. F. Ahearn, G. F. Henderson, Col. G. P. Murphy, Ottawa, H. W. Soper, Montreal.

Times Bond and Other Interest Earned—

	1935	1934	1933
Before deprec. ...	3.10	3.43	2.41
After deprec.	1.88	2.05	1.35

Earnings per Share:

Common: Earned	$2.80	$3.31	$1.19
Paid	3.20	3.20	....

National Light

Despite a further reduction in power rates to consumers, National Light and Power Co., Moose Jaw, reports marked improvement in earnings in 1936 as a result of increased sales. Net profit for the year was equivalent to 36 cents a share on the common stock, compared with 20 cents a share in 1935, and during the year the company paid an initial dividend of 21 cents a share.

First mortgage bond interest was earned 2.41 times before depreciation and 1.49 times after other interest and depreciation.

Equity behind each $1,000 bond is approximately $990.

Capitalization— Authorized Outstanding
Common, n.p.v. 200,000 shs. 111,000 shs.

Funded Debt—
1st mtge. S. F. bonds, series A, 6%, due 1949, outstanding $2,067,500.
6%, 10-yr. notes, due 1946, outstanding $200,000. Not publicly offered.

Head Office—Moose Jaw, Sask.

Dividend Record—
Common—21 cents a share paid in 1936.

Officers and Directors—
Officers—H. F. Berry, pres., gen mgr. and treas.; W. E. Kirsch, vice-pres.; M. F. Harwood, sec.; J. E. Thomas, asst. sec.
Directors — D. I. McLeod, Toronto; M. F. Harwood, W. H. B. Spotton, W. E. Kirsch, H. F. Berry, C. K. Buchbach, R. M. Henderson, Moose Jaw, Sask.

Times Bond Int. Earned:

	1936	1935
After other int. deprec. ..	1.49	1.31

Earns. per Share and Divd. Record:

	1936	1935
Earned	$0.36	$0.20
Paid	0.21	nil

Barcelona Traction

Company Is in a Rather Indeterminate Position as a Result of Seizure of Its Plants and Funds in Spain

Barcelona Traction Light and Power Co. is at present in a rather indeterminate position, plants, funds and banking accounts of its operating subsidiaries in Spain having being seized by "a workers' committee" in September last following the outbreak of civil war in that country. As a result interest payments on its three issues of bonds totalling $34 millions have been suspended. In the meantime expenditures on current account are being reduced as far as can judiciously be done.

At the present time it is impossible to tell what the ultimate outcome will be. The company operates throughout the province of Cataluna in northeastern Spain, which has not been conquered by the rebelling Fascist forces. Present governing forces in Cataluna are described as Socialist or Communist. Should the area eventually become the active scene of warfare there would be a possibility of destruction of some of, the company's properties, which, according to latest reports, are undamaged at present. Whatever the outcome the loss to the company will be serious.

Has Excellent Record

In the past the company has had an excellent earning record, all bond interest being earned by a wide margin throughout the depression. In 1935 the company earned $1.68 a share on its common stock, compared with $1.56 in 1934. In June, 1936 prior to seizure of its plants, the company paid a common dividend of 75 cents a share, compared with 50 cents a share in each of the previous years. During the first half of 1936 net earnings increased 1.76% over the same period of 1935.

Working capital at the end of 1935 amounted to $5.8 millions, but seizure of the company's funds in Spain has reduced this.

Capitalization— Authorized Outstanding
Com., n.p.v. .. 2,500,000 sh. 1,798,854 sh.

Funded Debt—

Cons. prior lien 6½% bonds, due 1955	$14,600,000
6% bonds, due 1972	12,042,200
5½% 1st mtge. bonds, due 1974	8,162,860
Outstanding bonds issue of contr. companies	34,574,720

The directors have decided that, in order to conserve available resources, interest payments falling due on bonds will have to be deferred for the present. This applies to the payments due Sept. 1, 1936, on the 6% 45-year bonds and on the Dec. 1, 1936, payments on the other two bond issues.

Dividend Record—
No set rate at present. Last paid 75c. June, 1936; previous to this 50c. paid June, 1935, and June, 1934.

Head Office—Toronto.

Officers—H. M. Hubbard, chm.; Henri Speciael, pres.; R. C. Brown, vice-pres.; Miller Lash vice-pres.; Walter Gow, vice-pres.; H. H. Merry, sec.-treas.; J. S Holmested, asst. sec.

Directors—H. M. Hubbard, R. C. Brown, Miller Lash, C. D. Magee, E. R. Wood, Walter Gow, Rt. Hon. Sir Thomas White, A. W. K. Billings, Toronto; Marques de Alella, Domingo Sert, F. Fraser Lawton, Marques de Foronda, Barcelona, Spain, D. N. Heineman, Henri Speciael, Brussels; W. D. Dawes, London, Eng.

Times Bond Interest Earned:*

	1935	1934	1933
6½% pr. lien bds.	4.83	4.62	4.29
5½% 1st mtg. bds.	8.13	8.41	10.63
6% 45-yr. bonds ..	6.36	5.90	5.81

*After depreciation, administration and reorganization expense.

Earnings per Share and Dividend Record:

Ord.: Earned	$1.68	$1.56	$1.38
Pd. on new shs. ..	0.50	0.50	....

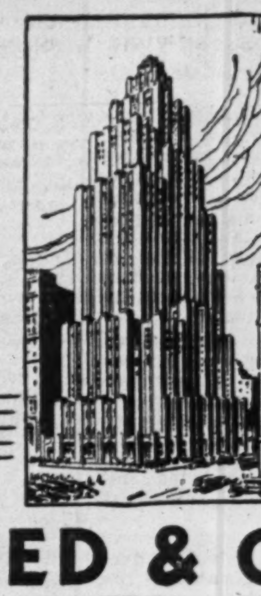
Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Ord. ..	13½	4½	11	10	16¾	15

UNDERWRITERS AND DEALERS

IN *Public Utility* ISSUES

Aldred Building Montreal



ALDRED & CO., LIMITED

THE STEEL COMPANY OF CANADA, LIMITED

Consolidated Balance Sheet, December 31st, 1936

ASSETS

COST OF WORKS owned and operated by the Company		$41,434,462.71	
INVESTMENTS IN AND ADVANCES TO COAL and Ore Mining Companies; and holdings of Company's own Bonds acquired for Sinking Fund		2,536,921.83	$43,971,384.54
CURRENT ASSETS—			
Cash on hand and in Banks		$ 2,057,026.85	
Secured Call Loans and Deposits with Trust Companies		2,031,542.41	
Dominion of Canada Bonds and Other Securities (market value December 31st, 1936, $8,328,929.00)		7,297,172.35	
Bills Receivable		121,531.88	
Accounts Receivable, less Reserve		3,977,158.71	
Inventories of Raw Materials, Supplies and Products, as determined and certified by responsible Officials and valued at the lower of cost or market, less Reserve		5,717,082.05	21,201,514.25
SECURITIES SET ASIDE FOR SPECIAL PURPOSES—			
Shares of the Company held in Trust for Employees		$ 83,106.70	
Benefit Plan Fund		756,862.20	
Pension Plan Fund		1,394,443.74	2,234,412.64
DEFERRED CHARGES—			
Taxes, Insurance and other Expenses paid in advance			49,304.20
			$67,456,615.63

LIABILITIES

CAPITAL STOCK—			
Authorized Issued			
400,000 259,852—7% Cumulative Preference Shares of $25.00 each		$ 6,496,300.00	
600,000 460,000—Ordinary Shares of no par value		11,500,000.00	$17,996,300.00
FUNDED DEBT—			
6% First Mortgage and Collateral Trust Bonds, due July 1st, 1940, Authorized and Issued		$10,000,000.00	
Less Held in Treasury and by Sinking Fund Trustee.		922,991.89	
		9,077,008.11	
Less redeemed through Sinking Fund		5,689,689.89	3,387,318.22
CURRENT LIABILITIES—			
Accounts Payable		$ 1,765,818.61	
Provision for Dominion, Provincial and other Taxes..		596,022.06	
Unclaimed Dividends		5,733.55	
Dividends payable February 1st, 1937—			
On Preference Shares	$ 113,685.25		
On Ordinary Shares	1,121,250.00	1,234,935.25	3,602,509.47
FUNDS APPROPRIATED—			
Benefit Plan Reserve		$ 756,862.20	
Pension Plan Reserve		1,394,443.74	2,151,305.94
RESERVES—			
Operating Reserves—			
Furnace Relining and Rebuilding, and other Operating Reserves		$ 2,030,222.15	
Contingent Reserve		559,621.32	2,589,843.47
Plant Reserve—			
For Depreciation			22,238,477.94
Other Reserves—			
For Betterments and Replacements		$ 1,829,674.06	
For Fire Insurance		200,000.00	2,029,674.06
EARNED SURPLUS			13,461,186.53
			$67,456,615.63

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of The Steel Company of Canada, Limited, for the year ended December 31st, 1936, and report that we have verified the Cash on Hand, Bank Balances and all Securities and have obtained all the information and explanations which we have required, and that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at December 31st, 1936, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

RIDDELL, STEAD, GRAHAM & HUTCHISON, Chartered Accountants, Auditors.
Toronto, Ontario, February 27th, 1937.

Approved on behalf of the Board,
R. H. McMASTER } Directors
H. H. CHAMP }

Consolidated Profit and Loss Account

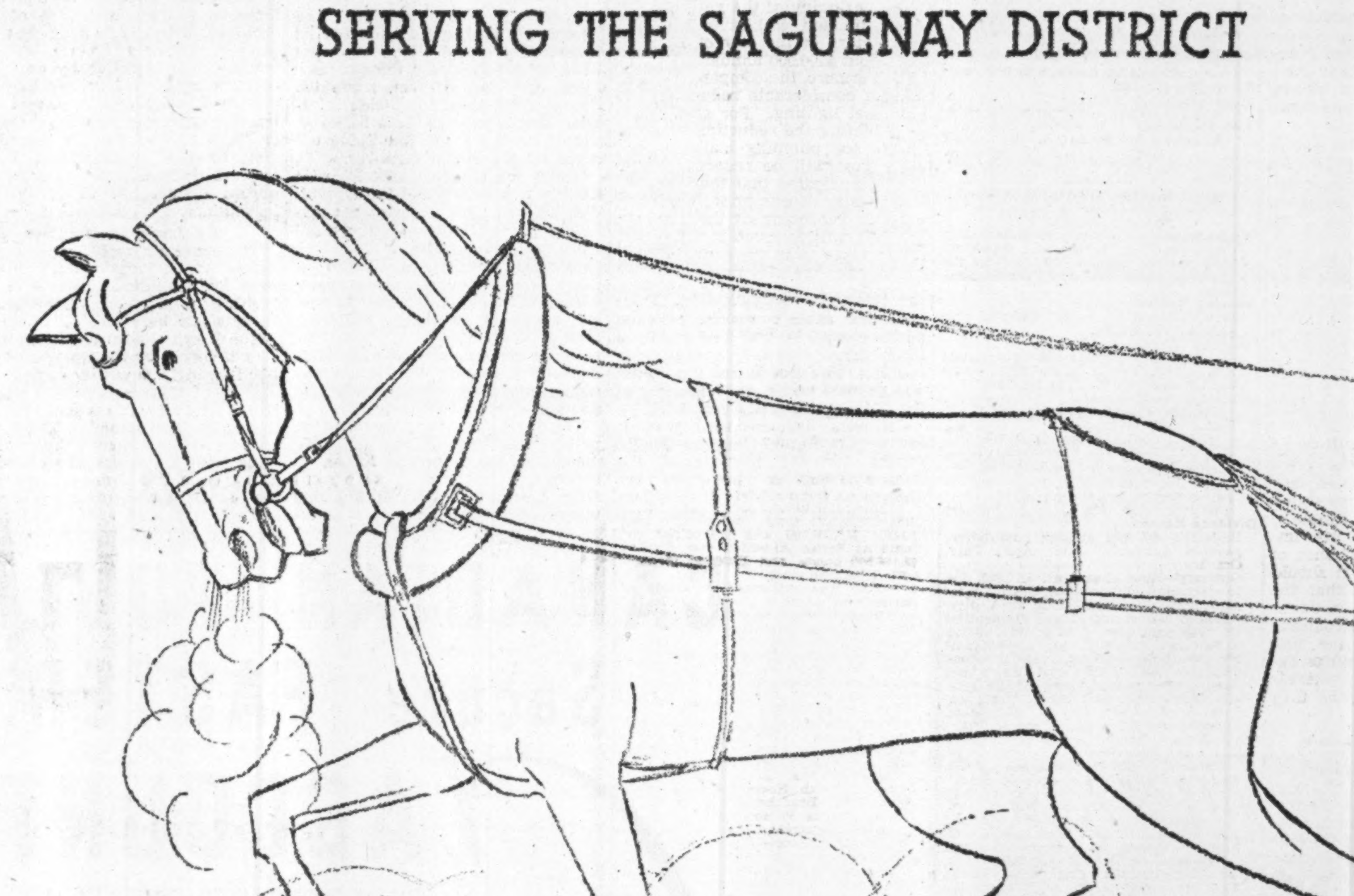
For the Year Ended December 31st, 1936

MANUFACTURING PROFITS after deducting all expenses incident to operations, including Depreciation			$ 2,688,114.47
ADD			
Net Income from Securities		$311,194.82	
Profit from Sale of Securities		93,410.49	404,605.31
			3,092,719.78
LESS Interest on Funded Debt			206,036.42
NET PROFITS			2,886,683.36
LESS DIVIDENDS			
On Preference Shares @ 7% per Annum		$454,741.00	
On Ordinary Shares:			
At $1.75 per share	$805,000.00		
At $2.00 per share towards equalizing the dividends heretofore paid on the Ordinary and the Preference Shares of the Company	920,000.00	1,725,000.00	2,179,741.00
			706,942.36
LESS TRANSFERRED (Subject to confirmation by the Shareholders)			
To Benefit Plan Reserve		$100,000.00	
To Pension Plan Reserve		200,000.00	300,000.00
SURPLUS for the year			406,942.36
Balance brought forward December 31st, 1935			13,054,244.17
Balance Profit and Loss Account December 31st, 1936			$13,461,186.53

THE FOLLOWING AMOUNTS HAVE BEEN CHARGED BEFORE DETERMINING THE PROFITS FOR THE YEAR	
Provision for Depreciation	$ 1,495,473.00
Provision for Dominion and Provincial Income Taxes including adjustment affecting previous year	563,120.60
Directors' Fees	12,600.00
Remuneration of Executive Officers	136,006.50
Legal Expenses	1,290.00

Half-a-Million Horses

SERVING THE SAGUENAY DISTRICT



500,000 horsepower hydro-electric development at Isle Maligne, P.Q.

SAGUENAY POWER COMPANY, LTD.

HEAD OFFICE:- 1000 DOMINION SQUARE BLDG., MONTREAL, P.Q.

Consumers' Gas Co.

Earnings Record Slight Increase — Sells 5,000 Additional Shares at $201 a Share — Retires Bank Loans

Sale of 5,000 additional shares of Consumers' Gas Co. of Toronto in February last at an average price of $201 a share is indicative of the high regard in which the company's stock is held. Proceeds of the issue, after deduction of legal and other expenses, approximated $1 million. A portion of the funds were used to retire bank loans incurred for capital purposes which at Sept. 30, 1936, amounted to $495,000 and the remainder is to be used for extension of the company's plant and distribution system.

The average price of $201 a share received for this issue is $51 higher than the average for 8,052 shares sold in 1932 and $13 higher than the average price received for 12,500 shares in 1929.

During the past six years the company has not earned its full dividend after deducting statutory requirements for renewals and reserves. If, however, only the actual amount used for renewals and reserves is deducted, then the full dividend has been earned. Net profits on the latter basis were equivalent to $10.72 a share in the year ended Sept. 30, 1936, and $10.25 a share in the previous year.

Can Continue Present Dividend

During the past six years the company has found it necessary to make transfers from its reserve fund in order to meet dividends and statutory requirements for renewals. During the past four years this has resulted in a reduction of the reserve fund of approximately $500,000 annually. Assuming that earnings and expenses show little variation, the company could continue to pay dividend on the present basis for 12 years. By this process it reduces its reserve fund and increases its plant and building renewal fund.

Gas Sales Increase

During the first quarter of the current fiscal year gas sales increased 1.6%. The largest industrial users are now using more gas than ever before in the history of the company. Sales of domestic appliances increased about 11%.

Working capital continues strong, amounting to $2.7 millions at Sept. 30 last. Since that time it has been further improved by funds received from the sale of stock in February.

The management of the company is excellent and its relations with its customers and the city of Toronto have always been of a friendly nature.

Capitalization—	Authorized	Outstanding
Common	$25,000,000	$14,055,200

Dividend Record—
Common—10% per annum, payable quarterly, Jan., Apr., July and Oct. 1.
Head Office—Toronto.
Officers and Directors—
Officers — Thomas Bradshaw, pres.; A. H. Campbell, vice-pres.; E. J. Tucker, gen. mgr. and sec.
Executive Committee—Thomas Bradshaw, T. H. Wood, A. H. Campbell, Col. J. F. Michie and F. G. Osler.
Directors—Thomas Bradshaw, A. R. Auld, A. H. Campbell, L. Goldman, Col. J. F. Michie, W. C. Laidlaw, F. G. Osler, C. S. Macdonald, T. H. Wood, and His Worship the Mayor of Toronto, all of Toronto.

Earns. per Share and Div. Record: Years End. Sept. 30:	1936	1935	1934
Earned	$10.72	$10.25	$10.01
Paid	10.00	10.00	10.00
Market Record—	1936	1935	1934
High	209	193	200
Low	189	184	165

Brazilian Traction

Net Earnings Recorded Sharp Improvement in 1936—Profit of 95 Cents a Share Indicated — Improvement Continues Into 1937

Monthly reports of Brazilian Traction, Light & Power Co. have during the past year recorded steady improvement in the company's earning position. Net earnings have shown an increase in every month since March, 1936, the increase for the entire 12 months of 1936 being $1,612,835 or slightly over 10%.

Assuming that deductions for sinking fund, depreciation, bond interest, etc., are the same as in 1935, this would indicate a net profit in 1936 equivalent to about 95 cents a share, compared with 74 cents a share in 1935 and 51 cents a share in 1934. Furthermore, the company resumed cash dividends, 70 cents a share being paid in 1936. No dividends were paid in the two previous years.

Increased Earnings Continue

The upward trend in the company's earnings has continued into 1937, net earnings for January showing an increase of $262,565, which is over 20%. As conditions are improving in Brazil, a continuance of this trend is looked for. It should be pointed out, however, that the marked increase recorded in January cannot be expected to continue throughout the year. In the first three months of 1936, earnings declined from the 1935 level, whereas each of the last nine months they were higher.

Foreign Exchange Situation

To a large extent the investment possibilities of Brazilian Traction common are dependent upon the foreign exchange situation. During the depression the shortage of foreign credits available in Brazil prevented the company from transferring cash to London and Canada for dividend payments. In the past year there has been some improvement in this situation as is indicated by the cash dividends paid by the company. Business and industry in Brazil have been improving as have exports. In this connection the country has benefited from the recent rise in commodity prices.

During the depression the company has materially improved its position, reducing funded debt from $59 millions to $32 millions. Furthermore, working capital has increased from $10.2 millions to $23.7 millions at the end of 1935. Thus the company is in a position to pay out all earnings in dividends once exchange becomes free and also to make payments out of surplus.

Capitalization—	Authorized	Outstanding
Ord., n.p.v. ..	*7,600,000 sh.	7,028,057 sh.
Pref., par $100	$10,000,000	$393,400

*Authorization of ordinary shares subject to increase up to a total of 7,933,333 shares by conversion of preference shares.

Funded Debt of Subsidiaries—	
Rio de Janeiro Tram., Light, Pr., 5% mtg., due 1958	$17,717,566
5% 22-yr. bonds, due 1950	1,319,384
Jardim Botanico Tramways, 5%, 1st mtg., due 1951	£1,400,000
Sao Paulo Tram., Light, Pwr. Perp. cons. deb. stk., 5% ..	3,999,996
Sao Paulo Electric, 1st mtg. bds., due 1962	9,733,333
Brazilian Telephone, 6% 1st mtg., due 1949	7,500,000
City of Santos Improvements, 5% debs., due 1938	107,406

Dividend Record—
Preferred—6% per annum, cumulative, payable quarterly, Jan., Apr., July, Oct. 1.
Ordinary—None at present. In 1930, due to exchange situation in Brazil, company instituted payment of stock dividends in lieu of cash. Stock dividend of 1% was paid Mar. 1, 1930, in addition to 50c. cash dividend; cash dividends of 50c. paid June and Sept. 1, 1930; 2% stock dividend Dec. 1, 1930, and March and June 1, 1931; cash dividends of 25c. Sept. and Dec. 1, 1931, and Mar. 1, 1932; 30c. July 15, 1936; 40c. Jan. 30, 1937; stock dividend of 2% June and Sept. 1, 1932.
Head Office—Toronto.
Officers and Directors—
Officers — Miller Lash, pres.; H. H. Couzens, executive vice-pres. in Brazil; E. R. Wood, R. C. Brown, H. M. Hubbard, A. W. K. Billings, Walter Gow, vice-presidents; A. W. Adams, sec. and treas.; Toronto; asst. secretaries: D. H. Cromar, Toronto; W. D. Hooper, London.
Directors—D. B. Hanna, Miller Lash, Sir John Aird, Rt. Hon. Sir T. White, R. C. Brown, C. D. Magee, Toronto; Sir Alex. Mackenzie, H. M. Hubbard, A. P. Holt, London, Eng.; A. W. K. Billings, H. H. Couzens, Rio de Janeiro; J. W. McConnell, Montreal; E. R. Wood, Walter Gow, S. G. Crowell, Toronto.

Earnings per Share and Dividend Record:	1935	1934	1933
Pref.: Earned.	$1,324.41	$924.12	$871.62
Paid	6.00	6.00	6.00
Com.: Earned.	0.74	0.51	0.48

Market Record—	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Ord'y.	18¾	9¾	10⅞	7⅛	14⅜	7½

kilowatt CARRIERS

Kilowatts in the power house pay no dividends. Only when they have passed the consumer's meter do they become assets on the Utility Company's books.

The connecting link between these two points is the line which carries the kilowatts to their point of use.

Here is where Northern Electric comes in.

For the past half century and more this organization has been supplying the ever growing needs of Canada's Distribution System, growing with the growing needs of Canadian Industry: so that today, Northern Electric has twenty Branch Warehouses conveniently located across the Dominion, equipped to serve adequately its customers at all times and under all conditions, without unnecessary delay.

23-327

Northern Electric Company Limited
A NATIONAL ELECTRICAL SERVICE
Branches in 20 Cities

Quebec Power

Sharp Gain in Share Profits Reported — Working Capital Higher

Quebec Power Co.'s earning power in 1936 underwent a considerable improvement as a result of the sharp increase in the industrial load. The reopening of the Murray Bay newsprint mill, together with an increase in firm power deliveries to the Dominion Textile Co.'s plant at Montmorency Falls, had a favorable effect upon income which amounted to $2.9 millions, as against $2.7 millions the year before. After all charges, net profits available for dividends were equivalent to $1.41 a share compared with $1.07 a share in 1935.

The increase in the surplus carried forward to the profit and loss account at the end of last year is reflected in the balance sheet which shows strengthening of liquid resources. Cash on hand increased from $154,019 to $199,739, and call loans advanced from $525,000 to $697,500.

Plan Refunding Bonds

At present the company has under consideration the redemption of its 5% mortgage bonds and replacement with a new issue carrying a coupon of 4%. The Quebec Electricity Commission has approved a new issue of bonds up to $13.5 millions. These bonds, which will mature in 25 years, will be placed upon the market as soon as legal steps have been taken to delete the gold payment clause in private contracts. Action along these lines is expected at any time with this obstacle out of the way the bonds will be placed on the market.

During the past year the number of the company's customers increased 960 to 58,397. Peak load of the system was 62,131 h.p. Conditions of the two railway divisions improved, although neither division is yet earning enough to cover operating expenses and taxes.

New Rate Schedule

In view of the improved position of the power division, the company put a new rate reduction into effect at the beginning of the year, which it is estimated will save domestic contributors in the city of Quebec area about $100,000 annually.

Furthermore, the company has allowed a considerable reduction for municipal lighting. For street and park lighting the reduction totalled $12,000, for pumping stations, the power cost will be reduced $1,440.

It is anticipated that the increase in domestic consumption, together with the reopening of the Murray Bay mill, will do much to offset the loss in revenue to the company resulting from the new rate.

Capitalization—	Authorized	Outstanding
Com., n.p.v.....	600,000 sh.	553,198 sh.

Over 57% of the outstanding common stock is owned by Shawinigan Water & Power Co.

Funded Debt—
1st mtge. 5% collateral trust s. f. bonds and debenture stock, authorized ‡$100,000,000:

	Outstanding
Series A bonds, due 1968......	$7,987,500
Series A deb. stk., due 1968..	3,748,133
Series B bonds, due 1972....	435,000
Series B deb. stk., due 1972†	1,000,000 issued.

†$817,500 held in treasury; $182,500 deemed by sinking fund.
‡This authorization covers both bonds and debenture stock, which rank pari passu: $12,000,000 was authorized for issue as Series A which was divided $8,106,500 bonds, and £800,000 ($3,893,500) debenture stock.
$7,500,000 was authorized for issue as Series B of which $1,400,000 was issued as currency bonds and £205,479 ($1,000,000) as sterling debenture stock.
Dividend Record—
Common—$1 per annum, payable quarterly, Feb., May, Aug. and Nov. 15.
Head Office—Quebec, Que.
Officers and Directors—
Officers — Julian C. Smith, pres.; Howard Murray, vice-pres.; W. S. Hart, treas.; James Wilson, sec.; J. E. Tanguay, gen. mgr., Quebec; W. J. Lynch, asst. gen. mgr., Quebec.
Directors—Hon. Lorne C. Webster, Julian C. Smith, Howard Murray, W. S. Hart, C. H. Branchaud, Dr. Milton L. Hersey, James Wilson, Hon. J. P. B. Casgrain, Montreal, Que.; C. E. Taschereau, Hon. George Parent, Hon. D. O. L'Esperance, A. C. Picard, J. E. Tanguay, J. S. Royer, Quebec, Que.

Times Bond Interest Earned:*	1936	1935	1934
Before deprec...	2.95	2.65	2.77
After deprec....	2.37	2.08	2.19

*Before transfer to contingent reserve.

Earnings per Share and Dividend Record:			
Com.: Earned..	$1.41	$1.07	$1.22
Paid	1.00	1.00	1.00
Market Record— Common:	1936	1935	1934
High	24	17½	20
Low	14	13	15

QUEBEC RAILWAY, LIGHT & POWER

Capitalization—	Outstanding
Preferred	$ 750,000
Common	2,500,000

All owned by the Quebec Power Co.
Funded Debt—
6% 1st mortgage bonds A, due 1970; outstanding $2,000,000. All owned by Quebec Power Co.
6% series B, due 1972, $1,000,000. All owned by Quebec Power Co.
Officers and Directors—
Officers — J. C. Smith, pres.; W. S. Hart, vice-pres.; H. G. Budden, sec.; J. Wilson, treas.
Directors — J. C. Smith, H. Murray, J. E. Tanguay, W. S. Hart, J. Wilson.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Gross revenue	1,094,973	1,069,861
Less: Oper. exps.	1,112,338	1,086,978
Portion of earns. pay. to Quebec City ..	35,530	34,839
Oper. deficit	52,895	51,956
Add: Prev. deficit ..	224,005	172,048
Deficit forward	276,900	224,004

Avon River Power

Avon River Power Co., controlled by Nova Scotia Light and Power Co., has extended its field of operations during the past year. Last November the company acquired the Annapolis Valley Electric Co., formerly owned by Associated Gas and Electric Co., serving Lawrencetown, Bridgetown, Bear River and surrounding districts.

Recently steps have been taken to bring about a closer association between Avon River Power and Nova Scotia Light. On January 1 last Avon River Power called all outstanding first mortgage bonds at a premium of 3%. Funds for this purpose were supplied by Nova Scotia Light, which in turn, issued a blanket mortgage for $7 millions, providing sufficient funds to retire its own mortgage bonds, as well as those of Avon River Power and other subsidiaries.

There is now no direct public investment interest in Avon River Power.

Capitalization—	Authorized	Outstanding
Pref., par $100 ..	$200,000	*$200,000
Com., par $100 ..	300,000	*225,000

*All (except $2,000 pref. stock) owned by Nova Scotia Light & Power Co.
Funded Debt—
1st mtge. bonds, 5%, series D, due 1964, $900,000. Called for redemption on July 1, 1937.
Dividend Record—
Preferred—$3 per share paid to Dec., 1927; no subsequent payment announced.
Common—None paid.
Head Office—Windsor, N.S.
Officers and Directors—
Officers—J. C. MacKeen, pres.; J. McG. Stewart, vice-pres.; C. J. Hayes, sec.
Directors—Same as parent company.

Eastern Light

Utility Board Gives Approval to Issue of Common Stock

Eastern Light and Power Co., which took over the old Cape Breton Electric Co., is one of the few Canadian utility companies which does not keep investors informed as to operations and earnings.

In the early part of 1935 the company sold $600,000 of first mortgage bonds, proceeds of which were used in part to defray the cost of acquisition of the old Cape Breton property.

Operations of the company are divided into three broad divisions. The company has been extending its services in the rural areas and reports satisfactory results. Commercial sales have shown a slight increase but are still relatively low per customer. Residential sales have been up to expectations.

Late last fall the company made an application to the Nova Scotia Board of Public Utilities for approval of a reduction in the amount credited to its depreciation reserve. At the same time it is announced that resulting from a new schedule of rates adopted by the company, a reduction of $16,000 yearly to consumers would result.

The latest move by the company is to make application to the Utility Board for approval of an issue of $530,000 of capital stock, made up of 53,000 common shares of a par value of $10 each. This has been approved.

Capitalization—	Authorized	Issued
Com., par $100	$1,000,000	$70,000

Funded Debt—
1st mtge. 5%, S. F. bonds, due 1964, issued $600,000.
Officers and Directors—
W. S. Thompson, pres.; North Sydney, N.S.; Hon. M. Dwyer, Sydney Mines; M. R. Chappell, Sydney; D. C. Sinclair, New Glasgow, J. H. Winfield, Halifax; G. G. Spencer, sec.

Churchill River Power

The Churchill River Power Co. operates a power plant on the Churchill River in Saskatchewan. It is wholly owned by the Hudson Bay Mining and Smelting Co. and most of its output is sold to that company.

The development is at Island Falls, 58 miles north of Flin Flon. Operations were started in 1930 and power generated has steadily increased since that date.

Maritime Electric

Maritime Electric is a newcomer to the Canadian utility investment field, though it has been known for many years past as a subsidiary of Associated Gas and Electric. Last year control of the property was acquired by Royal Securities Corp., which, in turn, placed on the market a block of first mortgage bonds and general mortgage bonds.

The company owns and operates electric lighting and power services in Charlottetown, Montagau, and 12 other communities in Prince Edward Island; and in Fredericton, St. Stephen, Milltown, St. Andrews, Devon and six other communities in New Brunswick.

The properties comprise steam generating plant having an installed capacity of 3,000 kw.; steam generating plant, not now in use, constructed at Fredericton; two small water power plants, one of which is not in use; substations; transmission and distribution lines.

Earnings of the company in the last four years have shown stability, with net income available for bond interest and income taxes well in excess of requirements.

Public Utility Investments

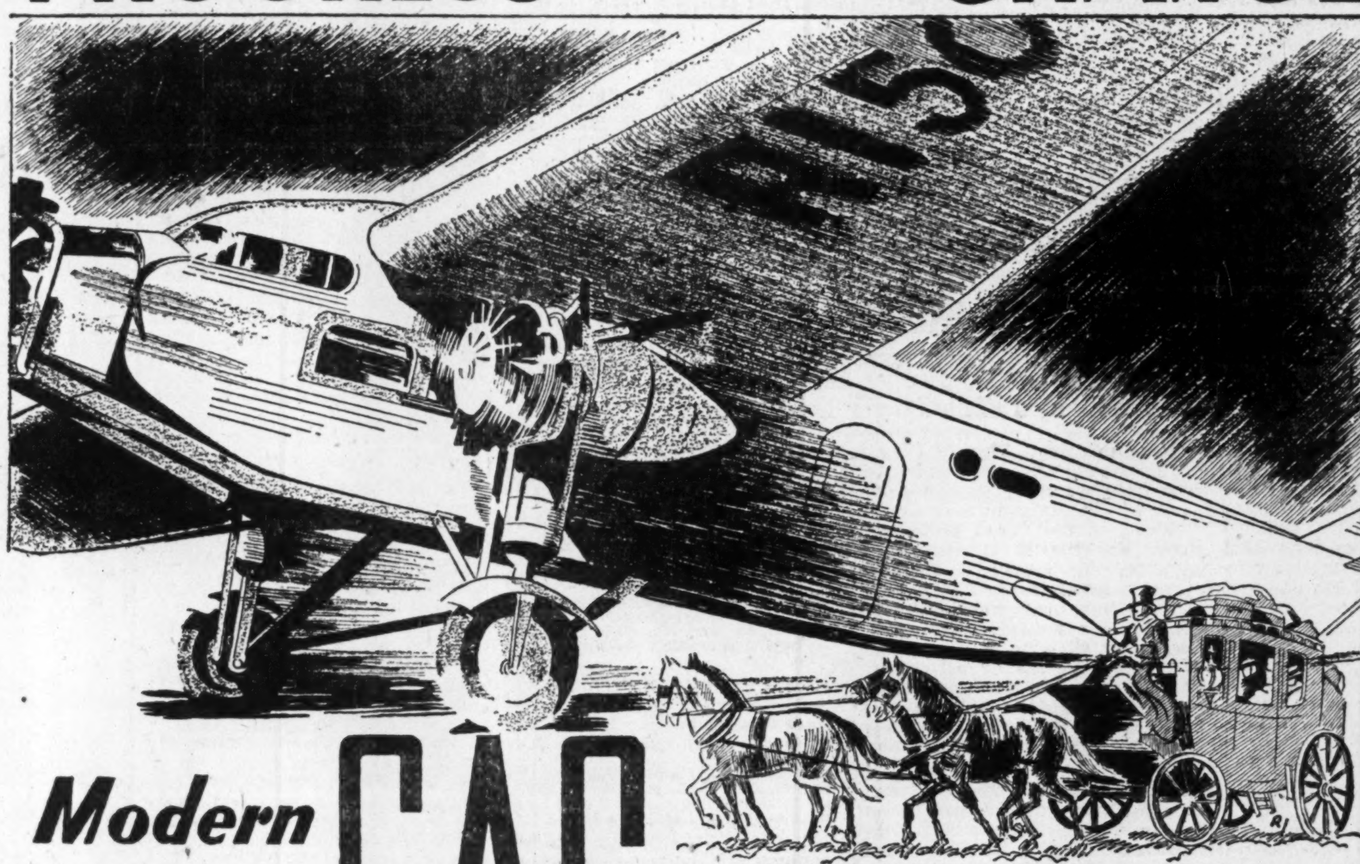
We have for more than thirty years been identified with the financing of light, power and telephone companies.

Our current offerings of corporation securities include a number of public utility issues yielding from 5% to 6%.

Particulars on request.

Royal Securities Corporation
Limited
244 St. James Street, Montreal — 330 Bay Street, Toronto 2
Offices throughout Canada; also in New York and London. 8

PROGRESS means CHANGE



Modern GAS applications offer extra profits!

New knowledge of gas and gas heat applications has resulted in improved equipment for every heating operation in industry. Specific operations are now done by improved and efficient equipment designed especially for that heating job.

As a result, gas is to-day, more than ever, the preferred fuel in industry. In addition to the long accepted advantages of instant availability, cleanliness, convenience and flexibility, gas now offers many other advantages — automatic control, uniform heat distribution, maximum dependability, and greater efficiency.

Because of all these advantages, gas — used in modern equipment — helps reduce over-all costs and increase profits for users everywhere. Call the INDUSTRIAL DIVISION of your gas company for complete information on modern gas applications — it may mean new profits for you.

The CONSUMERS' GAS COMPANY .... of TORONTO ....

Gt. Lakes Power

Bonds Refinanced During Past Year — Profits Continue to Increase

Improvement in the operations of the Algoma Steel Corp. and increased activity in the Michipicoten and Goudreau mining areas have resulted in substantially higher earnings for the Great Lakes Power Co. at Sault Ste. Marie. Net profits in 1936 was equivalent to $5.48 a share on the common stock, compared with $2.64 a share in 1935. First mortgage bond interest, after depreciation, was earned 3.8 times and all interest 1.7 times.

Public interest in the company, which is controlled by the Middle West Utilities Co. of Canada, lies almost entirely in its first mortgage bonds and its $7 preference stock. The company has always earned its bond interest by a wide margin. Arrears of dividends on the $7 preference stock, which accumulated from June, 1933, to March, 1934, were paid off in 1935 and dividends are now on a regular basis.

New Bonds Issued

During 1936 the company materially improved its position by refunding its 6% first mortgage bonds and refunding loans due to an affiliated company. In order to do this the company issued new 4¼% first mortgage bonds of a principal amount of $4,250,000. Of the proceeds of this issue, $1,287,000 was applied to redemption of the old bonds and $2,259,200 was applied on indebtedness to an affiliate company. The remainder was used for general corporate purposes, including the erection of a new 10,000 h.p. plant on the Montreal River. In addition the company issued $2 millions of 5% general mortgage bonds in repayment of further indebtedness to an affiliated company.

Power Output Rises

Power output of the company has shown steady improvement over the past three years and continuance of this trend is looked for.. Expansion plans of the Algoma Steel Corp., which include development of its iron ore reserves at Michipicoten, will benefit the company materially if carried through.

The new power plant on the Montreal River was placed in operation early in 1937.

Operations of the company's subsidiary, the International Transit Co., which operates the street railway in Sault Ste. Marie, Ont., and a ferry between Soo, Ont., and Soo, Mich., have also been improving. Dividends received from this company in 1936 were $36,000, of which $10,869 is from prior years' surplus.

Capitalization—	Authorized	Outstanding
Pref. red. cum. series A, n.p.v.	26,000 shs.	7,500 shs.
Common, n.p.v..	70,000 shs.	30,000 shs.

Funded Debt—
1st mtge. s.f. A bonds, 4¼%, due 1956, outstanding, $4,250,000; gen. mtge. bonds, 5%, due 1957, $2,000,000.

Officers and Directors—
Officers—J. A. McPhail, pres.; A. E. Pickering, vice-pres.; O. H. Wing, asst. to pres. and asst. treas.; J. R. Andrews, treas. and asst. sec.; Ethel Hugill, sec.
Directors—J. A. McPhail, A. E. Pickering, J. Dawson, E. B. Barber, O. H. Wing, Sault Ste. Marie; D. C. Green, J. E. Barber, E. A. Olsen, N. P. Zech, Chicago.

Dividend Record—
Preferred—Entitled to $7 per annum, payable quarterly, Jan., Apr., July and Oct. 15. Paid regularly up to and including Mar. 15, 1933. Payments due June 15, 1933 to March 15, 1934, passed. Payment of $1.75 per share resumed Apr. 16, 1934 and regularly since. $1.25 on arrears paid Oct. 15, 1935; $4.58⅓ per share paid on arrears Dec. 20, 1935, which wiped out the arrears.
Common—$3 per share paid Jan. 15, 1937. Initial and only previous payment on this stock of 67c. per share was made Apr. 1932.

Times Interest Earned—

	1936	1935	1934
1st mtge. int.	4.1	6.06	4.77
All fixed chgs. ...	1.7	1.41	1.17

*Reduction due to increase in bonds.

INTERNATIONAL TRANSIT
(Owned by Great Lakes Power Co.)

Capitalization—	Authorized	Outstanding
Com., par $50	$150,000	$150,000

Entire capital stock owned by parent company, and deposited with the trustees as additional security for that company's bonds.

Earns. per Share and Div. Record—

	1936	1935	1934
Pref.: Earned....	$28.96	$17.56	$7.62
Paid	7.00	7.00+5.83	7.00
Com.: Earned	5.48	2.64	0.16
Paid	nil	nil	nil

Inter. Hydro Electric

Operating Subsidiaries in Canada and the United States Report Better Trend — Income Covers Debt Charges

International Hydro-Electric System, which controls Canadian Hydro Electirc Corp. and New England Power Association, appears to have passed through the worst of its difficulties. The financial statement of the company shows that funded debt charges and depreciation have been covered after making provision for all underlying charges. In 1935 the surplus after interest was over $1.1 million, as compared with $1.4 million in the previous year.

Interim quarterly statements issued by International Hydro-Electric System for 1936 show a rather substantial increase in expenses and taxes, though net earnings were still sufficient to cover interest charges.

Canadian End Drops

For the third quarter of 1936, the last interim statement available, the company reported total revenue of $15.6 millions, as against $15.2 millions for the corresponding period of 1935. Sales of electric energy and net profits of the New England properties during this period continued to show improvement, but this was more than offset by the decline in net profits of Canadian properties as a result of the new contract between Gatineau Power and Ontario Hydro. After providing for all charges, there was a loss for the third quarter of $330,617, as against $154,259 for the same period in 1935.

Since publication of these figures, the position of Canadian Hydro has undergone a change for the better and it is anticipated that the report for the last quarter, which is being incorporated with the annual statement for 1936, will show a better trend. It was feared for a time that the loss of revenue from Canadian Hydro would bring about bankruptcy of the parent concern, but it now appears that this danger is past and while the position of the company financially is not all that might be desired, net revenues are sufficient to take care of more pressing charges, until such time as income reaches more normal levels.

Capitalization—	Authorized	Outstanding
Com., par $0.05	40,000,000 sh.	40,000,000 sh.
Cl. A, par $25 .	‡2,000,000 sh.	856,718 sh.
Cl. B, par $20 .	2,000,000 sh.	1,000,000 sh.
Pref. conv. $3.50, par $50	1,000,000 sh.	142,799 sh.

‡$714,799 shares reserved for conversion of debentures and preferred stock and 66,673 for exercise of purchase warrants; there is also contingent liability to deliver up to 122,697 shares in exchange for option warrants of New England Power Assoc.

Funded Debt—
6% convertible gold debs., due 1944, outstanding $26,568,000.

Dividend Record—
Preferred—Entitled to $3.50 per annum, payable Jan., April, July and Oct. 15, Payment due Oct. 15, 1934, deferred and none since.
Class A—Entitled to $2 per share per annum, cumulative, preferred, payable quarterly on Jan., Apr., July and Oct. 15. Initial dividend of 50c. paid July 15, 1929, payable either in cash or as 1/50th share class A stock. Paid regularly thereafter to July 13, 1932, when passed; none since.

Head Office—Boston, Mass.

Officers and Directors—
Officers—Irwin L. Moore, pres.; W. A. Hanway, vice-pres.; E. B. Norcross, treas.; C. D. Young, sec.; H. A. Hildreth, asst. sec. and asst. treas.; A. R. Storm, asst. treas.; F. A. Auffermann, Jr., G. S. McCarthy, asst. sec's.
Directors—H. R. Weaver, New York City; V. M. Drury, L. P. Gelinas, Montreal; G. Gordon Gale, Ottawa; H. P. Robinson, Saint John, N.B.; Arthur F. White, Toronto; Irwin L. Moore, W. A. Hanway, J. F. Rollins, E. B. Norcross, Boston.

Times Fixed Charges Earned:

	1935	1934	1933
Before deprec. ..	1.38	1.40	1.43
After deprec. ...	1.16	1.19	1.22

Earnings per Share and Dividend Record:

Pref., $3.50 con. series:			
Earned	$8.06	$10.21	$16.70
Paid	nil	1.75	3.50
Class A: Earned†	..0.76	1.14	2.25

†Based on the number of shares outstanding at the end of the period.

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Class A	10½	2¾	4¾	1¼	9⅛	8⅛

N. B. Power

Mortgage Bonds Are Redeemed —Option Given on Part of Property

New Brunswick Power Co. deposited the necessary funds for the redemption of its first mortgage bonds when they fell due on Mar. 1. On incorporation in 1917, the company issued about $2.2 millions of 20-year 5% first mortgage bonds. Through operation of the sinking fund the amount outstanding was reduced to less that $1.7 million. Financially the company was not in a position to take care of these bonds at maturity. However, it is generally understood that the necessary money was advanced by the Federal Light and Traction Co., controlling company, in order to protect its investment in the enterprise.

Operations of New Brunswick Power have not been particularly profitable in recent years owing to severe competition from the Saint John Civic Hydro Commission. Overtures have been made from time to time to have the company buy out the city's system, or for the city to take over the company.

New Deal Under Way

These negotiations have not been successful, but a new development has taken place since the turn of the year which may result in a settlement of the utility problem in Saint John. A group of Saint John investment dealers, comprising Eastern Securities Co., T. M. Bell and Co., and Irving, Brennan and Co., was given an exclusive option by the New Brunswick Power Co., which enabled it to make the following alternative proposals to the Saint John Hydro Commission:

1. To sell to the city the electric light and power distribution system and gas production and distributing system of the company.

2. To buy from the city all the assets of the Commission at a price subject to conditions to be agreed upon.

The proposal to sell to the city is subject to the fixing of a mutually satisfactory price and agreeing not to sell or dispose of the distribution system for a period of 40 years, during which time the Commission will buy all the electricity used, sold or distributed by it from the company's plant.

Substantial earnings for the Commission on the basis of the deal outlined are indicated in a letter sent by the syndicate to the Commission.

Has Important Bearing

The sale of the distribution system and productive plant of New Brunswick Power Co., exclusive of the electric power plant, would have considerable bearing upon the future of the company. With the retirement of the bonds, there is a very limited public investment interest in the first and second preferred. Practically all of the common is owned by the Federal Light and Traction, which, in addition, has advanced to the company nearly $2 millions. While no figures are available as to the breakdown of New Brunswick Power Cos property account, the sale of the properties along the lines outlined in the syndicate's offer, would mean a return of a very substantial proportion of the capital invested in the property.

While there is no assurance that such a deal will go through, prospects appear favorable.

Capitalization—	Authorized	Outstanding
Com., n.p.v.	20,000 sh.	20,000 sh.
1st pref. cum. 7%	$3,500,000	$1,000,000
2nd pf. 7% cum. Par $100.	1,500,000	350,000

Funded Debt—		
First gold 5% bds, due 1937	$5,000,000	$1,689,000

Dividend Record—
1st Preferred—Entitled to 7% per annum, payable quarterly, March, June, Sept. and Dec. 1. Paid at rate of 4% from Mar. 1, 1927, to Dec. 1, 1931; none since.
2nd Preferred—None at present. Entitled to 7% cumulative from Dec. 1, 1922, payable Mar., June, Sept. and Dec. 1. 7% paid in 1918, 1¾% in 1919 and 1920; none since.
Common—None paid.

Head Office—Saint John, N.B.

Officers and Directors—
Officers—C. H. Nicholas, pres.; W. P. Southard, vice-pres. and gen. mgr.; J. A. Olive, sec.-treas.; H. G. Townsend, asst. sec.-treas.
Directors—C. H. Nichols, New York; W. C. Allison, W. E. Golding, Lt.-Col. J. L. McAvity, A. P. Paterson, R. Sullivan, W. P. Southard, J. G. Harrison, James MacMurray, W. E. Scully, Saint John, N.B.; L. C. Gerry, Providence, R.I.

Canadian Hydro

Prospects Considerably Enhanced as Operating Company's Firm Power Load Moves Forward

Canadian Hydro Electric Corp.'s net income for 1936, as far as can be determined from preliminary reports, will be sufficient to cover the dividend on the first preference stock. For the 12 months ended Sept. 30, the balance of earnings available for dividends amounted to $1.5 million as against over $2.3 millions for the preceding 12 months. Even after allowing for the reduction in revenue for the last quarter of 1936, it is apparent that earnings on Canadian Hydro's first preferred for all of 1936 will be approximately twice the amount required for dividends.

Revision of the contract between Ontario Hydro and Gatineau Power Co., Canadian Hydro's operating subsidiary, meant a loss in revenue of around $2 millions annually.

Earning Power Suspended

The interim quarterly reports of the company for last year revealed an important change in the trend of earnings. While income from the Ontario Hydro naturally fell off, revenue from other sources showed an unexpectedly large increase. This represented larger deliveries of power to wholesale consumers such as Canadian International Paper, E. B. Eddy Co., Canada Cement and others.

Another important change occurred in the early part of December, when Ontario Hydro took an additional 20,000 h.p. over and above the minimum contract requirements, which added appreciably to the income available for Canadian Hydro's first preferred stock.

In connection with the dividend on the first preferred, which is the only security of the company in the hands of the public, Gordon Gale, president, stated at the end of November, it was essential to conserve resources of the corporation and for that reason, no action has been taken by the directors in regard to declaring a dividend.

The healthier situation as regards earnings, may hasten the decision of the directors to resume payments.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ..	1,000,000 sh.	1,000,000 sh.
1st pref. 6% cum.	$37,500,000	$12,500,000
2nd pref. non-cum. Par $100.	25,000,000	25,000,000

Both 2nd preferred and common shares are owned by International Hydro-Electric System.

Funded Debt—
None.

Dividend Record—
First Preferred—6% per annum, payable March, June, Sept. and Dec. 1. Initial dividend paid March 1, 1928, and quarterly to Dec. 1, 1935; since passed.
Second Preferred—6% per annum, non-cumulative. Initial dividend of 6%, $1,500,000 paid to parent company in 1931; 3% in 1932; 6% in 1933 and 1934; 4½% in 1935.
Common—Initial dividend of $501,000, $0.501 per share paid to parent company in 1931; none paid in 1932; 50 cents paid in 1933 and 1934; none paid in 1935.

Head Office—Ottawa, Ont.

Officers and Directors—
Officers—G. Gordon Gale, pres.; Brig.-Gen. J. B. White and I. L. Moore, vice-pres.; H. R. Weaver, treas.; J. R. Binks, sec. and asst. treas.; A. R. Storm, asst. treas.; G. S. McCarthy, asst. sec.; Roy Campbell, asst. sec.; C. D. Young, asst. sec.
Directors—John R. Binks, G. Gordon Gale, Ottawa; Louis P. Gelinas, Victor M. Drury, Brig.-Gen. J. B. White, Montreal; Irwin L. Moore, New York City; Arthur F. White, Toronto.

Years End. Mar. 31:	1935	1934	1933
Times Interest Earned:			
Before deprec.	1.63	1.61	1.63
After deprec.	1.43	1.48	1.50
Earnings per Share and Dividend Record:			
1st pref.: Earned	$19.43	$19.03	$19.78
Paid	6.00	6.00	6.00
2nd pref.: Earned	7.03	6.59	6.96
Paid	4.50	6.00	6.00
Common: Earned	*0.26	0.15	0.24
Paid	nil	0.50	0.50

*After full year's 2nd pref. dividend.

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
1st pref.	75	26	82¼	37	77⅛	54½

The Upward Trend in B. C.

Monthly gain or loss in telephones by the B. C. Telephone Company during the last four years:

	1933	1934	1935	1936
January	—826	—162	+134	+256
February	—826	—120	+ 99	+235
March	—872	+ 54	+ 68	+412
April	—870	+131	+194	+397
May	—413	+ 14	+ 22	+428
June	—117	—205	+169	+459
July	—676	—420	—137	— 97
August	—220	+196	+159	+325
September	+535	+662	+855	+875
October	+529	+491	+479	+542
November	0	+281	+417	+629
December	— 93	+310	+431	+663
	—3,849	+1,232	+2,890	+5,124

B. C. TELEPHONE CO.

Duluth-Superior

Duluth-Superior Traction Co. is one of those street-railway companies which has fallen on evil days. In 1930 the operating company, Duluth Street Railway Co., went into receivership and no statement has been issued since.

The operating company was reorganized in 1933 and new securities went mostly to holders of its first and general mortgage bonds and its 7% preferred stock. Duluth-Superior Traction, as owner of 18,000 of the old common shares, received 1,500 shares of common stock in the new company.

Duluth-Superior traction at the present time is wholly without income and its assets are being held in trust for the benefit of shareholders. There is no prospect of early returns on either its preferred or common shares, but eventually they may have some value.

Manitoba Power Commission added 133 miles to its transmission system and erected a number of new substations during 1936.

Serving Mines, Industries, Farms

GREAT LAKES POWER COMPANY, LIMITED

OFFICERS

J. A. McPHAIL
—President

A. E. PICKERING
—Vice-President

O. H. WING
—Chief Engineer

JAS. R. ANDREWS
—Treasurer

ETHEL HUGILL
—Secretary

Great Lakes Power Company, Limited, serves a farming area east of Sault Ste. Marie, the industrial area in Sault Ste. Marie and the mining areas at Michipicoten and Goudreau. The farming and rural communities are served by a transmission line extending from Sault Ste. Marie to Bruce Mines with small step-down sub-stations at each community. In the industrial area of the Soo the Algoma Steel Corporation, Limited, Abitibi Power & Paper Company, Limited, Chromium Mining & Smelting Corporation and several smaller companies are served as well as the municipality of Sault Ste. Marie.

The company's transmission lines supply power to twelve (12) operating gold mines in the Michipicoten and Goudreau mining fields and two small communities in those districts. The company's transmission system is so laid out that service can readily be made to prospective mines.

The company will co-operate with a customer in making extensions from its transmission lines to a new mining property. It is the policy of the company to encourage development by fair rates and good service.

The Company has recently put into service its new plant at the Upper Falls of the Montreal River, which has a capacity of 7,500 kilowatts, giving the company a total generating capacity of 46,200 kilowatts or 62,600 horsepower.

General Offices: **SAULT STE. MARIE, ONTARIO**

The Canadian Western Natural Gas, Light, Heat and Power Company, Limited

FOR 26 YEARS this Company has played an active part in the discovery, development, distribution and conservation of Alberta's Natural Gas Resources.

Serving the Cities of Calgary and Lethbridge, and 15 Towns and other Communities along 605 miles of transmission and distribution mains.

Head Office: CALGARY, ALBERTA

Gatineau

Increase in Deliveries to Ontario Hydro Makes for Larger Earnings

Gatineau Power Co.'s financial statement for 1936 is expected to make satisfactory reading for the bond and debenture holders, and, more particularly, for the holders of the first preferred stock of Canadian Hydro-Electric, which is the controlling unit.

Earning power of the company was adversely affected by the cancellation of the old contract with Ontario Hydro and the making of new contracts on a lower revenue basis. Under the terms of the new agreement, Gatineau Power lost about $2.2 millions annually on the basis of minimum deliveries as compared with that received prior to the cancellation.

Step Up Deliveries

Toward the middle of last November, Gatineau Power was officially advised by Ontario Hydro that it would take an increase of 20,000 h.p. in the basic delivery of firm power. This increased delivery of 25-cycle power to 120,000 h.p., leaving the stand-by power unchanged at 32,000 h.p. and the reserve at 107,000 h.p.

The increase in deliveries will mean a net gain of $215,000 annually in revenue received by Gatineau from Ontario Hydro.

Interim reports of Gatineau Power of late, indicate a rather substantial gain in revenues from power sales to customers other than Ontario Hydro. As a consequence it is anticipated that the 1936 statement will make a much better showing than had been originally anticipated. It now appears that the company, as far as 1937 is concerned, will have no difficulty in showing interest charges earned, while the surplus may be more than ample to take care of Canadian Hydro's first preferred dividend, which has been deferred.

Outlook More Favorable

While the increase in deliveries to Ontario Hydro last November, will not have an appreciable effect upon earnings for 1936, they should play an important part in the returns for the current year. Further, if the deliveries to other customers increase, as they have in the past year, then Gatineau's earnings for 1937 should be on a satisfactory basis. Whether or not they will be sufficient to cover the dividend on Canadian Hydro is questionable at this time, but in any event there should be a fairly substantial surplus to apply on the parent company's first preferred, the only security outstanding in the hands of the public.

Capitalization—	Authorized	Outstanding
Com., par $5	$2,500,000	$2,500,000
Pref., cum. 6%.. Par $100.	25,000,000	25,000,000

All shares of both issues held by Canadian Hydro-Electric Corp.

Funded Debt—
1st mtge. 5% bonds, due 1956, outstanding $69,137,500.
Sinking fund debs., 6%, due 1941, outstanding $9,597,000.
S.f. debs., series B, 6%, due 1941, outstanding $7,500,000.

General Office—Montreal.

Times Fixed Charges Earned:

	1935	1934	1933
Before depr. & am. of storage works	1.52	1.53	1.54
After depr. & am. of storage works	1.40	1.41	1.42

Earn. per Share and Dividend Record:

	1935	1934	1933
Pref.: Earned ..	$8.24	$8.66	$8.96
Paid	6.00	$6+°$4	$6+°2.50
Com.: Earned† ...	1.12	1.35	1.48

None paid.

°Paid on arrears.

†Based on full year's preferred dividend requirements but before taking arrears into account. As at Dec. 31, 1935, preferred stock was 14½% in arrears of dividends or $3,625,000.

SHAWINIGAN'S RAPIDE BLANC POWER PLANT

Constructed during the depression years, the Rapide Blanc plant of Shawinigan Water & Power Co. on the St. Maurice River came into operation early in 1934, with installed capacity of 160,000 horsepower. The plant has accommodation for two more generating units to bring capacity to 240,000 h.p.

This aerial photograph shows the Saint Maurice River above the power plant. Logs are brought down the river past the various plants by use of specially constructed chutes. Eventual plans call for installations of 2,000,000-h.p. capacity on the river.

Can. Marconi

Share Earnings Still Small But Earning Power Growing

Canadian Marconi Co.'s operations and earnings over the past year are understood to have been on a better basis than in 1935, when the company showed an operating profit of $254,065, as against $162,485 in 1934.

The company operates a line of telegraph and telephone services and manufacture broadcast transmitters, radio telephones and telegraph transmitters and receivers of all kinds, as well as radio direction finding equipment. For these products and services, there has been an increasing demand. At the same time the market has broadened considerably and the outlook for additional sales is considered promising.

Three years ago the company concluded an arrangement with Cable and Wireless Ltd., the former Imperial and International Communications, the result of which has been to remove any conflict of interests and to enable the overseas service of both companies to be worked on a basis of mutual assistance and cooperation.

Share Earnings Small

Canadian Marconi's earning power is still limited in relation to the outstanding share capital. For example, in 1935 the net profit was equivalent to only two cents a share. No dividends have ever been paid on the capital stock and though the financial position is a very strong one, there does not appear to be any reason for anticipating any payment to the shareholders in the near future.

Capitalization—	Authorized	Outstanding
Com., par $1....	$7,500,000	$4,554,682

Head Office—Montreal.

Officers — A. H. Ginman, pres.; Dr. M. L. Hersey and J. A. Boyd, vice-pres's.; H. M. Short, man. dir.; James Fergus, sec.; S. M. Finlayson, asst. to gen. mgr.

Directors — Dr. M. L. Hersey, Montreal; A. H. Ginman, London, Eng.; A. E. Dyment, Toronto; G. W. MacDougall, H. M. Short, J. E. Labelle, D. C. Coleman, J. A. Boyd, J. H. Thomson, Montreal.

	1935	1934	1933
Earn. per Share....	$0.02	$0.013	nil

Market Record (New York Curb)—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Com...	2⅞	1⅜	2½	1	4¼	1⅛

Plenty of Water Power

Canada has available water power totalling 20.3 million h.p. under conditions of ordinary flow and 33.6 million h.p. ordinarily available for six months of the year.

Inter. Utilities

Liquidates Arrears on Prior Preferred Issues — Operations Improve

The 1936 report of International Utilities Corp. has yet to be published, but it is known that earnings were substantially higher than in 1935 when net profit was equivalent to $9.54 a share on the $7 prior preferred stock and $4.77 on the $3.50 prior preferred stock.

The extent of the improvement in the company's position is indicated by the liquidation of arrears of dividends on these two issues of stock by payments made during 1936 and on March 1, 1937. Total payments on the $7 preferred stock in 1936 were $9.62½ a share and on March 1, 1937, a further payment of $4 a share on arrears was made. Total payments on the $3.50 prior preferred in 1936 were $4.81¼ a share and a payment of $2 a share on arrears was made on March 1, 1937. Both issues are now on a regular dividend basis.

Arrears of Dividends

Arrears of dividends on the $1.75 preferred will amount to $6.56 a share on April 15 next and on the class A stock to $19.25 a share. It is possible that a start will be made this year toward liquidation of arrears on these two issues. The company, however has a long way to progress before any payments will be in prospect for the class B stock on which no dividends have ever been paid.

International Utilities Corp. is a Maryland incorporation and operates as a holding company. About one third of its holdings are in western Canada under the Dominion Gas and Electric Co. Operations of the latter company recorded substantial improvement in 1936 so that it was able to repay a loan of $311,000 to the parent company. In addition it paid a dividend of $4 a share on its 25,000 shares of $7 preferred stock, all of which is held by International Utilities. This is the first dividend paid by Dominion Gas and Electric since 1931.

Capitalization—	Outstanding
Prior pref. 7% n.p.v.	10,989 shs.
Prior pref. $3.50 ser. 1931	108,837.46 shs.
Pf., $1.75 ser. 1931, n.p.v.	94,704.84 shs.
Class A, n.p.v.	124,062 shs.
Class B, par $1	1,229,890.5 shs.

Dividend Record—

Prior Preferred, $7 Initial Series—$7 per share per annum, cumulative, payable Feb., May, Aug. and Nov. 1 in U. S. funds. Paid regularly at $7 rate up to and including Nov. 1, 1933. Reduced to $3.50 per annum Feb., 1934. Increased to $5 per annum Nov. 1, 1935; to $6 per annum Feb., 1936, and to $7 per annum Nov. 1, 1936; $3.37½ on arrears paid Dec. 23, 1936, and $4 on Mar. 1, 1937, wiping out arrears.

Prior Preferred, $3.50 Series 1931—$3.50 per share per annum, cumulative, payable Feb., May, Aug. and Nov. 1 in U. S. funds. Initial dividend paid Nov. 1, 1931. Paid regularly at $3.50 per annum rate up to and including Nov. 1, 1933. Reduced to $1.75 per annum Feb., 1934. Increased to $2.50 per annum Nov., 1935, to $3 per annum Feb., 1936, and to $3.50 Nov. 1, 1936; $1.68¾ on arrears paid Dec. 23, 1936, and $2 Mar. 1, 1937, wiping out arrears.

Preferred, $1.75 — 1931 series, payable quarterly, Jan., Apr., July and Oct. 15. Payment due Oct. 15, 1933, deferred; none paid since.

Class A Common—None at present. Last paid 87½c. Oct. 15, 1931.

Head Office—New York, N.Y.

Officers and Directors—

Officers—P. M. Chandler, pres. and chm.; Wiley F. Corl, A. D. McNab, vice-pres.; T. L. Russell, sec.; H. Williams, Jr., treas.; H. D. Brown, Jr., E. M. Butler, asst. sec. and asst. treas.; Robert Leonard, asst. sec.; A. O. Minnich, asst. to pres.

Directors—P. M. Chandler, E. Uehlinger, E. W. McMahon, H. Williams, Jr., A. D. McNab, R. P. Buell, New York; Robert M. Boyd, Jr., Montclair, N.J.; W. H. Despard, Toronto; R. E. Wilsey, Chicago, Ill.

Earnings per Share and Div. Record:

	1935	1934	1933
$7 pr. pf.: Earn. ..	$9.54	$6.52	$10.44
Paid	3.87½	3.50	7.00
$3.50 pr. pf.: Earn.	4.77	3.26	5.22
Paid	1.93¾	1.75	3.50
$1.75 pf.: Earn. ...	1.56	nil	2.69
Paid	nil	nil	1.31
Cla. A: Earned ...	nil	nil	0.58

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Cl. A ..	16¾	3¾	4½	1¼	6½	1½
Cl. B ..	2.25	.40	.85	.26	1.50	.25

Canadian Securities

Dominion and Provincial Government Bonds

Municipal Bonds

Public Utility and Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED

TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.

15 King Street West, Toronto

Mont. Telegraph

Leased Property to C.N.R. Brings in Regular Income

Montreal Telegraph Co.'s capital stock has long been regarded as an investment type of security. Its dividend requirements are secured by fixed income. Properties are operated and maintained by the Great Northwestern Telegraph Co. of Canada, now the Canadian National System.

The company's 90th annual statement for 1936 shows no change in revenue or financial position from that previously reported. Lease revenue amounted to $165,000, and other income $2,767, which was sufficient to provide for expenses, taxes and dividends.

Capitalization—	Authorized	Outstanding
Com., par $40 ..	$2,000,000	$2,000,000

Dividend Record—

Common—8% per annum, less Canadian Government income tax payable quarterly, Jan., April, July and Oct. 15. Dividends guaranteed by Western Union Telegraph Co.

Head Office—Montreal.

Officers and Directors—

Officers—H. E. Rawlings, pres.; J. B. Paterson, vice-pres.; M. P. Domville, sec.-treas.

Directors—H. E. Rawlings, J. B. Paterson, C. F. Sise, G. F. Benson and Lt.-Col. W. Leggat, all of Montreal.

Earnings:	1936 $	1935 $
Revenue	167,767	168,080
Expenses	165,908	165,785
Surplus	1,859	2,295

Market Record—

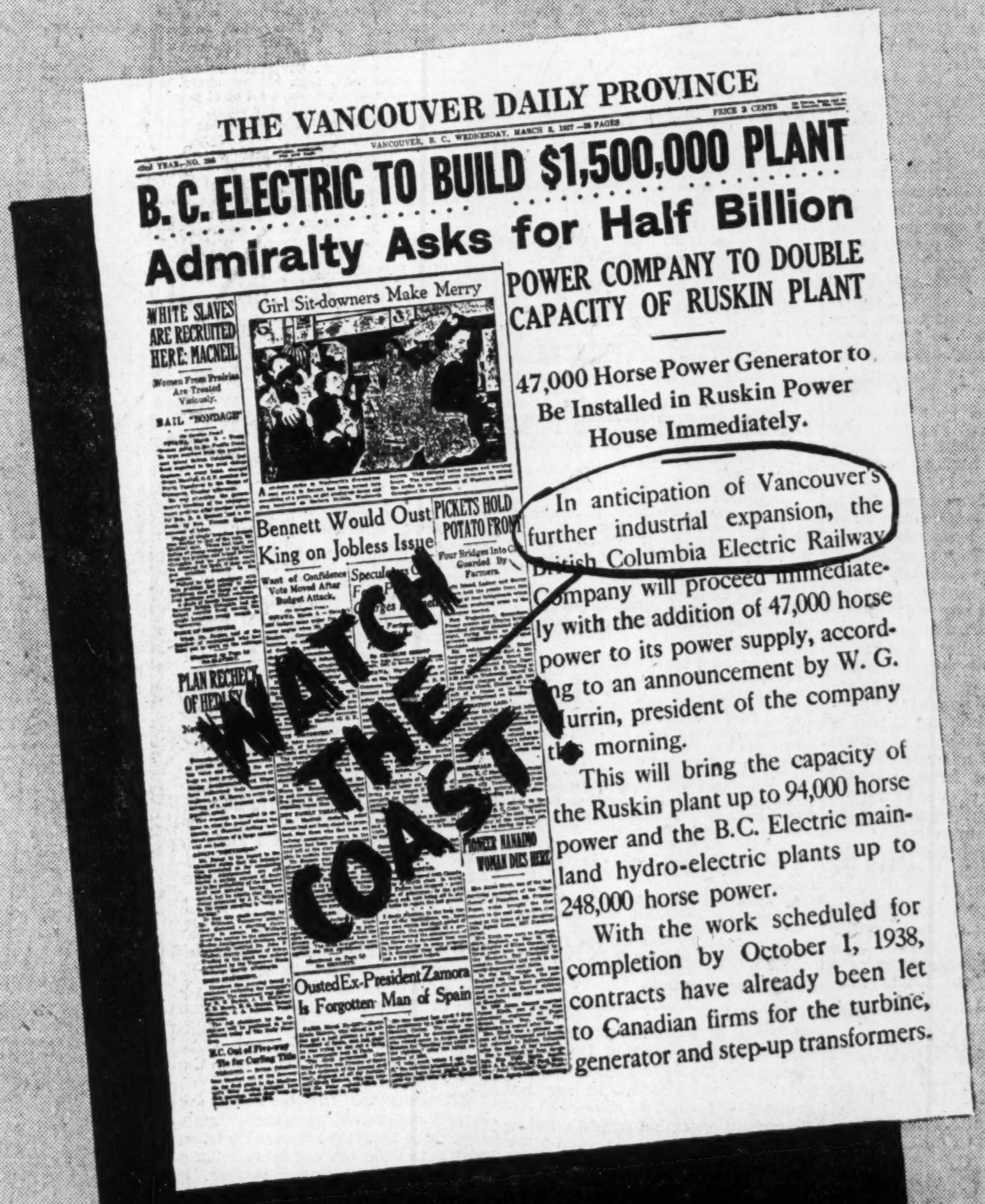
	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Com. ..	60	54¼	58¼	54¼	55	50

Electric Light and Power
Street Railway
Gas Heating and Lighting

A reliable, old-established company giving assured service at the lowest rates.

Our engineering service is always at the disposal of our patrons or prospective patrons, and we shall be very pleased to furnish information or assistance.

NEW BRUNSWICK POWER COMPANY
SAINT JOHN, NEW BRUNSWICK



BRITISH COLUMBIA ELECTRIC RAILWAY COMPANY, LTD.
BRITISH COLUMBIA POWER CORPORATION, LTD.
W. G. MURRIN, PRESIDENT, VANCOUVER, B. C.

Power Corp. of Canada

Investments Record Healthy Increase in Market Value — Earnings Move Forward and Dividend Paid on Common

Power Corporation of Canada's position has undergone a change for the better. At the end of the half year mark, Dec. 31, 1936, the company reported an improvement of approximately 25% in revenue applicable to the common shares. The market value of securities held, appreciated several million dollars.

Investments in mining properties at the end of 1936 had a book value of less than $400,000 and a market value of $2.5 millions.

During the six-month period, the company acquired for cancellation $122,000 of its debentures. The actual book value of the common stock of the company at the end of 1936 was over $32 a share as against $15.01 a share on June 30.

General Recovery Helps

Power Corporation's interests are spread over the greater part of the Dominion, and the general recovery in business has reacted in favor of the company. Power Corp. controls through stock ownership, East Kootenay Power, Northern British Columbia Power, Canada Northern Power, and has a substantial interest in B.C. Power, Winnipeg Electric, Foreign Power Securities, and Southern Canada Power, and holds a number of other miscellaneous investments.

Gross earnings of the utilities controlled by the company amounted to $27.4 millions for the year ended June 30, 1936, net earnings available for reserves, and common dividends amounted to over $6.3 millions as compared with $5.3 millions in 1935.

Earnings Up in 1936

Gross income of Power Corp. during the 1936 fiscal year totalled nearly $1.6 million, and after payment of debenture interest and preferred dividends, the remainder was equivalent to 50 cents a share on the common stock. This represented an improvement of 8 cents a share as compared with 1935.

In the face of the improved earnings and prospects of continued gains, the board declared a dividend of 25 cents a share, payable on Dec. 21 last. This represents the first payment made on the common since 1932. While the stock has not been placed on a regular dividend basis, it is anticipated that further payments will be made during the course of the current year.

Depend on Subsidiaries

While the company is primarily dependent upon investments in utility companies for income, it also derives revenue from management and engineering fees. However, the former is the more important revenue producer and, on that account, operations of the controlled and affiliated companies are of considerable importance in assaying progress of Power Corp.

Each of the utilities in which the company has an interest serves one or more mining districts and, in the past year, the company has taken a stock interest in certain properties which appear to have merit. As regards operations, the report covering the last six months of 1936 of the combined outputs of the various controlled companies, shows a total power output of 1,177 million kw.h. This contrasts with 1,056 million kw.h. for the last half of 1935, an increase of 11.4%.

Capitalization—	Authorized	Outstanding
1st pref., par $100	$5,000,000	$5,000,000
2nd pref., par $50	5,000,000	5,000,000
Com., n.p.v.	1,000,000 sh.	446,264 sh.

Funded Debt—
Convert. debentures, 5%, series A, due 1957, outstanding $1,843,800
Series B, 4½%, due 1959, outstanding 8,583,000

Dividend Record—
1st Pref.—$6 per annum, cumulative, payable Jan., April, July and Oct. 15. Paid regularly.
2nd Pref.—$3 per annum, non-cumulative, payable Jan., April, July and Oct. 15. Paid regularly.
Common—25c. per share paid Dec. 21, 1936, the first payment since 1932.

Head Office—Montreal.

Officers and Directors—
Officers—A. J. Nesbitt, pres.; P. A. Thomson, vice-pres.; J. B. Woodyatt, vice-pres. and gen. mgr.; L. C. Haskell, sec.; C. Johnstone, treas.; V. J. Nixon, asst. sec.; F. D. Lamont and T. Irving, asst. treas.
Directors—A. J. Nesbitt, J. A. Raymond, J. Irwin, J. B. Woodyatt, J. M. Robertson, P. A. Thomson, Montreal; R. R. Moodie, Hamilton.

Year End. June 30:	1936	1935	1934
Times All Int. Earn.:*	2.71	2.59	2.41

*Based on gross earnings, less expenses.

Earnings per Share* and Dividend Record:	1936	1935	1934
1st pref.: Earned	$16.46	$15.79	$14.62
Paid	6.00	6.00	6.00
2nd pref.: Earned	5.23	4.90	4.31
Paid	3.00	3.00	3.00
Com.: Earned	0.50	0.42	0.29

*Based on net profit before taking into account profit or loss on sale of securities.

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Pref.	106½	97¼	99	80	87	51
Com.	31¼	11⅜	12⅝	6½	15	7⅜

Kilowatt-hour Does Man-size Job

What is a kilowatt hour? There are many who speak glibly of a "kw.h." but few know what work it will do. Here are some of the things it will do:

One kilowatt hour of energy is sufficient to raise the temperature of approximately three gallons of water by 100 degrees Fahrenheit; light a 40-watt lamp an hour a day for almost one month; operate a washing machine one hour a week for two months; heat an ordinary iron for about two hours; operate a radio for 10 hours; or cook enough food for one person during an entire day.

Foreign Power

Withdrawal from Gold Standard by France Hurts Company

Foreign Power Securities, controlled by Power Corp. of Canada, has not been able to improve its position and the outlook remains indeterminate. Practically all the company's investments are in French public utility securities and its income is received in French francs. The substantial premium on the French franc in relation to Canadian dollars in recent years, was of considerable help to the company in maintaining revenues and at the same time bolstering up the balance sheet position.

In the year ended Oct. 31 last, Foreign Power reported an income in Canadian dollars of $221,561 and $202,542 after taking care of administrative expenses and taxes. Interest on bonded debt amounted to $183,972, so that there was little or no margin to act as a buffer against the devaluation of the franc when it was taken off the gold standard during the latter part of the year. No statement has been issued by the company as to what effect the devaluation will have upon the fortunes of the company, and the full effect will not be known until the company's report for the 1937 year makes its appearance in Jan,, 1938.

Trend is Unfavorable

Revenues of the company have declined steadily since 1930, despite the fact that in recent years a substantial proportion of income was realized from premium earned on French exchange. Net income in 1936 was equivalent to only 20 cents a share on the 6% preferred on which the annual dividend requirements are $6 a share.

Heavy depreciation has been noted in the market value of the company's investments in the last few years. A steady reduction of bonds, however, has resulted in a reduction in the outstanding amount to $2.3 millions as against $5 millions originally issued. At the end of last October the company reported investment with a book value of about $10.4 millions, against a market value in Canadian currency of about $3 millions. The latter is the lowest figure ever reported by the company, and of course, includes the premium which existed on French exchange at the time the balance sheet was drawn up.

Capitalization—	Authorized	Outstanding
Pref., par $100..	$5,000,000	$5,000,000
Com., n.p.v....	250,000 shs.	125,000 shs.

Funded Debt—
First collateral trust 6% gold bonds, series A, due 1949, outstanding $2,362,000.

Dividend Record—
Preferred—Entitled to 6% cumulative participating, payable Feb., May, Aug. and Nov. 15. Initial dividend paid Aug. 1, 1927; paid regularly thereafter to May 15, 1932; none since. Dividends in arrears as at Oct. 31, 1936, $27 per share.
Common—An interim dividend of $1 per share paid Jan. 20, 1930. None since.

Head Office—Montreal.

Officers and Directors—
Officers—A. J. Nesbitt, pres.; J. B. Woodyatt, vice-pres.; L. C. Haskell, sec.; C. Johnstone, treas.; V. J. Nixon, asst. sec.; T. Irving, asst. treas.
Directors—A. J. Nesbitt, J. B. Woodyatt, P. A. Thomson, L. C. Haskell, E. R Parkins, G. M. Todd, all of Montreal; Robert Despres, Paris, France.

	1936	1935	1934
Times Int. Earned	1.07	1.10	1.05
Earnings per Share & Div. Record—			
Pref.: Earned...	$0.20	$0.37	$0.27

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Com. ...	2¾	⅝	2¼	½	3⅜	½

Southern Canada Power

Better Trend Noted of Late in Earning Power — Refunding Operations Should Add to Stock Earnings

For the four months ended last January Southern Canada Power, subsidiary of Power Corp. of Canada, reported a gross revenue of $771,511, as against $734,959 for the same period in the preceding year. While part of this increase was absorbed by larger operating expenses, the company was able to carry forward a surplus after all charges, including dividends, of $16,223, compared to $6,964 for the same four months the year before.

During the fiscal year ended Sept. 30 last, the company earned 68 cents a share on the company stock. This contrasts with dividend payments of 80 cents a share. This is the second year in succession that the company has failed to earn its dividends. However, the position of the company is satisfactory and it is expected that as a result of the refunding operations, carried out last month, the saving in interest charges will increase earnings on the junior security.

The refunding operation involved the issue of $6 millions of 4½% first mortgage bonds, with the proceeds of which the company retired $6 millions of 5% bonds. The new issue which is payable in Canadian funds only, as compared with the three-way pay feature of the old bonds, was sold to institutional buyers and did not find its way into the hands of the public.

Southern Canada Power Co.'s financial statements do not show a very favorable trend as regards the common, due to the fact that the issuance of a large number of preferred shares has limited earnings available on the junior securities.

Public relations in Southern Canada Power's territory have not been especially favorable in recent years. Added to this is the fact that the new Provincial Government has decided to adopt a limited public ownership programme. If the political situation turns out favorable for the company, the continued recovery in business should add to earnings and strengthen the company's ability to maintain and even increase the dividend on the common stock.

Capitalization—	Authorized	Outstanding
Pref., par $100	$10,000,000	$7,086,900
Common, n.p.v.	500,000 shs.	400,000 shs

Funded Debt—
1st mtge bonds, 5%, due 1955, series A, outstanding $6,000,000. To be redeemed Apr. 1, 1937.
1st mtge. 4½%, series A, due 1962 $6,000,000.

Dividend Record—
Preferred—6% per annum, payable quarterly, Jan., April, July and Oct. 15. Paid regularly since initial dividend April, 1920.
Common—Present rate 80 cents per annum, payable quarterly Feb., May, Aug. and Nov. 15.

Head Office—Montreal.
Officers—J. B. Woodyatt, pres. and gen. mgr.; J. M. Robertson, J. S. H. Wurtele, P. T. Davies, vice-pres.; L. C. Haskell, sec.; C. Johnstone, treas.; V. J Nixon, asst. sec.; T. Irving, asst. treas.
Directors—J. Davidson, J. M. Robertson, A J. Nesbitt, P. A. Thomson, J. B Woodyatt, P. T. Davies, J. S. H. Wurtele Montreal; R. R. Moodie, Hamilton; W. H. Miner, Granby, Que.; Hon. G. Parent, Quebec; J. S. Gillies, Braeside, Ont.

Years End. Sept. 30:	1936	1935	1934
Times Interest Charges Earned:			
Before deprec.	4.18	4.26	4.45
After deprec.	3.53	3.58	3.77
Earnings per Share and Dividend Record:			
Pref.: Earned ...	$9.83	$10.26	$11.43
Paid	6.00	6.00	6.00
Common: Earned	0.68	0.75	0.96
Paid	0.80	0.80	0.80

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Pref..	106	98	100	82	94	72
Com..	15	11	14½	9½	16	10

SHERBROOKE RAILWAY
(Controlled by Southern Canada Power)

Capitalization—	Authorized	Outstanding
Com., par $100	$1,500,000	$1,127,000

Southern Canada Power owns $1,117,500 of the outstanding capital stock. No dividends paid.

Funded Debt—
Sherbrooke Street Railway, 1st mtge., 5% bonds, due 1927*, outstanding $100,000. Sherbrooke Rly. and Power, 1st mtge., 5% bonds, due 1940, outstanding $858,500. Consolidated gold bonds, 6%, due 1940, outstanding $200,000.
*Entire issue held in escrow.

Head Office—Montreal.
Officers—J. B. Woodyatt, pres. and gen. mgr.; L. C. Haskell, vice-pres. and sec.; C. Johnstone, treas. and compt.; V. J. Nixon, asst. sec.; T. Irving, asst. treas
Directors—V. J. Nixon, A. J. Nesbitt, J. B. Woodyatt, L. C. Haskell, C. Johnstone, T. Irving, Montreal.

Hydro Electric Sec.

Steady Recovery Is Reported in Value of Holdings and Earnings

A further increase is expected in the market value of investments and net income of Hydro Electric Securities Corp., but this will not be known for certain until the company's annual report for 1936 makes its appearance early in May.

As indicated by its corporate title, the company is heavily interested in public utilities in various parts of the world. It was incorporated in 1926 by the late Alfred Lowenstein.

At the end of 1935, the market value of investments was $12.8 millions, which was only $760,233 less than book value, after deducting investment and capital reserve. The deficiency at the end of the previous year was $4.5 millions, indicating a substantial improvement during 1935.

Earning power up to the end of 1935 had not shown any marked evidence of recovery, but it is anticipated that the 1936 report will make more cheerful reading for the security holders. As it is, the company has been able to earn sufficient money to take care of its preferred dividends, while a small balance has been available for the common stock in the last four years.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ..	2,000,000 sh.	1,476,393 sh.
Pref. A, par $100	$30,000,000	....
Pref. B, par $10	$10,062,000	$7,995,730

Dividend Record—
Class B Preferred—5% per annum, cumulative, payable half-yearly, Feb. and Aug 1. Initial dividend of 2½% paid Feb. 1, 1928, and regularly since.
Common—None at present. Last payment, 10c. a share, March 31, 1932.

Head Office—Montreal.

Officers and Directors—
Officers — Victor M. Drury, pres.; Major Albert Pam, vice-pres.; A. H. Lang, sec.; A. E. C. Marshall, treas.; G. T. Hardie, asst. sec.
Directors — Victor M. Drury, Hon. Gordon W. Scott, Montreal; Robin Wilson, Major Albert Pam, London, Eng.; Henri Wauters, Count Roger Van der Straten-Ponthoz, Brussels; R. S. Lowenstein.

Earnings per Share and Dividend Record:	1935	1934	1933
Class B Pref:			
Earned†	$0.65	$0.69	$0.80
Earned‡	0.65	0.69	0.80
Paid	0.50	0.50	0.50
Common:			
Earned†	0.08	0.10	0.13
Earned‡	0:08	0.10	0.15
Paid	0.08	....	....

†Based on ordinary income.
‡Based on ordinary and extraordinary income.

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Com.	10⅛	6½	5¼	3	8	4

CANADA'S great hydro electric developments which turn the wheels of thriving industries are financed by the issue of bonds and capital stock. This Old Canadian Company is equipped to engrave such securities promptly and efficiently.

BRITISH AMERICAN BANK NOTE COMPANY
LIMITED

HOWARD W. PILLOW
President

CHARLES G. COWAN
Vice-Pres. & Man. Dir.

G. HAROLD BURLAND
Sec.-Treas.

HEAD OFFICE : OTTAWA
262 Wellington Street

511 Place d'Armes
MONTREAL

1110 Bank of Hamilton Bldg.
TORONTO

Canada Northern

Boom Conditions in Northern Mining Camps Add Greatly to Power Load — Refunding of Bonds Shortly

Canada Northern Power Corp., controlled by Power Corp. of Canada, continues to report an expansion in operations and earnings. In serving the Northern Ontario and Northwestern Quebec section, the company has experienced an ever-widening demand for power services, especially in the new mining areas. From 1932 to 1936, for example, the number of customers connected increased from 12,516 to 17,508. The kilowatt hour output, during the same period, advanced from 441 millions to 594 millions. In both customers and output, the gain over the five-year period was approximately 50%, a growth which has hardly been equalled by any other power operator.

The area in which the company operates includes the gold producing districts of Porcupine, Kirkland Lake, Larder Lake, Rouyn, Cadillac, Malartic, Dubuisson, Duparquet, Bourlamaque, Pascalis and Matachewan. Most of the increased power load naturally comes from the mines, as the area is still sparsely settled. Last year 12 new mines were added to the list of customers.

Pay Larger Dividend

Reflecting the expansion of operations, earnings have advanced from $3.4 millions in 1932 to just under $4.6 millions in 1936. During the same period there was a proportionate increase in the net profit available for dividends, as a result of which the company has gradually increased the dividend until today it is on a regular basis of $1.20 annually.

An interesting development of late in connection with the finances of the company, has been the investment in mines. The management decided that as the company's welfare was largely linked up with the mining industry, it was only proper that it should contribute to the development by investing in some of the more promising mines. At the end of last year the company reported an investment in marketable securities, mostly mining stocks, of $901,183, against which the market value was over $2 millions. At the same time cash on hand exceeded $1.5 million, a gain of over $1 million during the year, representing in part the liquidation of investments.

Will Refund Bonds

It is anticipated that during the current year the company will carry out a refunding operation, resulting in the replacement of its presently outstanding 5% collateral trust bonds with a new issue carrying a lower coupon rate. On Dec. 31, 1936, there were outstanding over $16.3 millions of bonds.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ...	500,000 shs.	400,000 shs.
Pref., par $100 ..	$7,500,000	$5,500,000

Funded Debt—
Collateral trust 5% bonds series A, due 1953 .... $16,161,500

Dividend Record—
Preferred—$7 per annum, cumulative, payable Jan., April, July and Oct. 15; paid regularly.
Common—Present rate $1.20 per share per annum, payable quarterly, Jan., April, July and Oct. 25, increased from $1 per annum with payment of 30c. April, 1935, and regularly since.

Head Office—Montreal.

Officers and Directors—
Officers—A. J. Nesbitt, pres.; J. B. Woodyatt, vice-pres.; B. V. Harrison, vice-pres and gen. mgr.; L. C. Haskell, sec.; C. Johnstone, treas.; H. A. Seymour, asst. sec.-treas.; V. J. Nixon, asst. sec.; T. Irving, asst. treas.
Directors—A. J. Nesbitt, J. B. Woodyatt, P. A. Thomson, Hon. J. L. Ralston, J. Simard, Montreal; D. McLachlin, Arnprior; F. O. Blackwell, New York; B. V. Harrison, New Liskeard, Ont.

Times Interest Earned—	1936	1935	1934
Before deprec. ...	3.43	3.36	3.22
After deprec.	2.55	2.48	2.36
Earnings per Share and Dividend Record:			
Pref.: Earned† ..	$21.34	$20.47	$19.16
Paid	7.00	7.00	7.00
Com.: Earned ...	1.97	1.85	1.67
Paid	1.20	1.20	1.00

†After all dividends of subsidiaries.

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Pref. .	112¼	107⅝	111	98½	105	88¼
Com. .	29	22½	25⅞	17½	22½	16¼

NORTHERN ONTARIO POWER
(Controlled by Canada Northern Power)

Capitalization—	Authorized	Outstanding
Com., n.p.v.	500,000 shs.	240,014 shs.
Pref., par $100 ..	$2,500,000	$2,499,300

$977,200 preferred and 234,217 shares of common are pledged under the 5% coll. trust S. F. series A bonds of Canada Northern Power Corp.

Funded Debt—	Outstanding
6% Deb. notes, due 1953* .... (Northern Ontario Power)	$3,500,000
6% Deb. notes, due 1953* .... (Northern Ontario Power)	2,500,000
6% Deb. notes, due 1953* .... (Northern Ont. L. & P.)	5,000,000
6% Deb. notes, due 1953* .... (Northern Ont. L. & P.)	515,000

*Issued in favor of Canada Northern Power. The first two issues are pledged under that company's 5% coll. trust S. F. series A bonds.

Dividend Record—
Preferred—6% per annum, payable quarterly, Jan., Apr, July and Oct. 25; paid regularly.
Common—$3 per annum, payable, Jan., Apr., July and Oct. 25. Initial payment at this rate made Apr. 25, 1935; previous rate was $2.

Executive Office—Montreal.

NORTHERN QUEBEC POWER
(Controlled by Canada Northern Power)

Capitalization—	Authorized	Outstanding
Com., n.p.v. ...	200,000 shs.	200,000 shs.

*199,950 shares are pledged under Canada Northern Power Corp., 5% coll. trust S. F. series A bonds.

Funded Debt—
1st mtge. 6% series A bonds, due 1945, outstanding $2,650,000; 6% deb. notes, due 1953, outstanding $2,350,000.
All owned by the Canada Northern Power Co. and pledged under its 5% coll. trust S. F. series A bonds.

Head Office—Montreal.

City Gas

Development of Gas Division Holds Down Earnings

City Gas and Electric Corp., successor to the old Consolidated Utilities, operates a number of public utility services in Quebec, including a gas plant and distribution system at Three Rivers, an electrical system in Yamaska County, and an electrical and waterworks system at Amos and a waterworks system at Ste. Therese.

The accounts, as published each year by the company, present an incomplete picture due to the fact that certain costs are included as development expenditures and capitalized, with the remainder being charged to current operations. The charges to development account are determined by the directors, the auditors state, and include a large portion of annual bond interest, officers' salaries and administrative expenses.

The company's year ends on March 31. The report for the fiscal year 1936 shows that a profit of $8,096 was realized from operations of the various properties, except the gas system at Three Rivers which suffered a loss of $22,408, not including $67,225 charged to development. The net result was a loss of $14,312 on the 1936 operations.

Prospects for the company are largely contingent upon the ultimate success of the Three Rivers division, which, to date, has not operated at a profit. This division, however, is still in the construction stage and its earning capacity is yet to be fully demonstrated.

Capitalization—	Authorized	Outstanding
Pref., par $100 ..	$1,000,000	$73,800
Com., n.p.v. ...	100,000 shs.	56,120 shs.

Funded Debt—
First mortgage bonds, 6½%, due 1951, outstanding $400,100.
First mtge. bonds of Amos Water & Power, 7%, due 1938, outstanding $65,900.

Head Office—Montreal.

Officers and Directors—
Officers—Lt.-Col. P. L. Browne, pres.; A. G. Urquhart, vice-pres. and sec.-treas.; J. S. Bock vice-pres.; J. Becket, asst. sec.-treas.
Directors—Lt.-Col. P. L. Browne, J. S. Bock, J. I. Dupré, J. C. Lallemand, Montreal; A. G. Urquhart, Westmount; John Lowe, Valleyfield, Que.

Dividend Record—
Preferred—7% cumulative, payable quarterly. None paid to date.

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Common	3¼	1	2½	1½	14¾	1½

Avalon 'Phone

Traffic Volume Higher in 1936 But Net Shows Little Change

Gross revenues of Avalon Telephone Co. for the 11 months ended last November, were greater than the year before, but after taking into consideration expenses and depreciation reserve, net revenue was much the same.

Revenues have been maintained at a fairly stable level over the past seven years, both bond interest and preferred dividend requirement being well covered. The steadiness of net profits is not an entirely accurate reflection of the company's operations but is largely attributable to yearly adjustments in the amount charged for depreciation. The common dividend of 7%, which has been paid in the past several years, is covered by a small margin after deduction of income taxes.

The company has become well established at St. John's, Nfld., and the surrounding district. Up-to-date figures are not available as to the extent of operations, but the last available information showed 21 exchanges in operation within a radius of 100 miles.

Capitalization—	Authorized	Outstanding
Common	$300,000	$236,350
Pref. non-cum. 7% Par $25.	400,000	400,000

Funded Debt—
First mortgage bonds, series A, 5½%, due 1948, $717,000.

Dividend Record—
Preference — 7% payable half-yearly, Jan. and July 1.
Common—7% per annum, payable annually, usually in March or April.

Head Office—St. John's, Newfoundland.

Officers and Directors—
Officers — Hon. J. J. Murphy, pres.; R. J. Murphy, vice-pres. and man. dir.; J. D. Cameron, sec.-treas.; J. Healy, supt.; S. H. Morris, office manager.
Directors—Hon. J. J. Murphy, R. J. Murphy, J. D. Cameron, G. Brownrigg, M. E. Martin, A. E. Hickman, St. John's, Newfoundland.

Times Bond Interest Earned:	1935	1934	1933
Before deprec. ...	2.94	2.80	3.06
After deprec.	2.33	2.30	2.32
Earnings per Share and Dividend Record:			
Pref.: Earned	$3.17	$3.13	$3.17
Paid	1.75	1.75	1.75
Com.: Earned	2.41	2.34	2.40
Paid	1.75	1.75	1.75

A Native Quebecker

Hydro-electric installations in Quebec are twice as great as in Ontario. Electricity has made many industries, many jobs in this province. This company is responsible for a third of the electrical developments in Quebec.

Quebeckers have provided four-fifths of the investment in this company. Paying annually $2,500,000.00 in taxes, Montreal Power is a native Quebecker, operating profitably both for the state and for the taxpayer.

MONTREAL LIGHT HEAT & POWER CONSOLIDATED

Calgary Power

Outlook Strengthened by Renewal of Subsidiary Contract

Calgary Power Co.'s position has undergone strengthening as a result of the new agreement entered into between its subsidiary, Ottawa Valley Power Co., and the Ontario Hydro. While the terms of the new contract do not indicate that Calgary Power is likely to secure any immediate benefit in the way of income from its investment in Ottawa Valley, still its very substantial investment is given a very definite value, whereas it had a nebulous value as long as relations were broken off with Ontario Hydro.

This is a favorable development, but Calgary Power is not in a position to resume dividends on its common stock, which were deferred when income from Ottawa Valley ceased. However, the last annual financial statement of Calgary Power indicated that revenues from its own operations were sufficient to take care of all prior charges, as well as the dividend on the preferred stock. The surplus was not great enough to enable the company to make any distribution on the common stock, but that may come about later.

Covers Wide Field

Calgary Power generates and supplies power in Alberta under contract to Calgary, Lethbridge, Red Deer, Wetaskiwin, and intervening points. Through a subsidiary, the Prairie Power Co., power is supplied to communities in Saskatchewan. The revenue from these sources has been well developed. There has been some talk that the policies of the new Government in Alberta might affect operations of the company, but so far such has not been the case.

Capitalization—	Authorized	Outstanding
Common	$5,000,000	$3,500,000
Pref. 6% cum.	7,500,000	6,000,000
Par $100.		

Funded Debt—
1st mtge. S. F. gold bonds, 5%, due 1960, outstanding $10,000,000.
1st mtge., 5% bonds, due 1964, outstanding $1,940,000.

Dividend Record—
Preferred — $6 per annum, cumulative, payable quarterly, Feb., May, Aug. and Nov. 1.
Common—$6 per annum, paid regularly quarterly from April, 1930, to Jan., 1936; passed April 1, 1936; 5% paid from Jan., 1928, to Jan., 1930.

Head Office—Montreal.

Officers and Directors—
Officers—I. W. Killam, chm. of board; G. A. Gaherty, pres.; R. B. Baxter, vice-pres. and man. dir.; Fred. C. Clarke, treas.; L. G. Proctor, sec.
Directors—I. W. Killam, G. A. Gaherty, Fred. C. Clarke, S. B. Hammond, H. J. Symington, Denis Stairs, R. B. Baxter, Montreal; H. H. Parlee, Edmonton.

Times All Interest* Earned:

	1935	1934	1933
Before deprec.	2.30	2.59	2.26
After deprec.	1.96	2.22	1.97

*And U. S. exchange.

Earnings per Share and Dividend Record:

Pref.: Earned	$7.87	$11.14	$10.42
Paid	6.00	6.00	6.00
Common: Earned	3.20	8.81	7.58
Paid	6.00	6.00	6.00

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Pref.	86¼	74½	85	80	..	..
Com.	120	120	..	..	..	..

Record Demand for Power

Demand for power and growth in demand for electrical energy ceased in 1930 and was replaced by a recession which continued until April, 1933. Since then the demand has steadily accelerated and in 1936 established an all-time record.

Ottawa Valley Power

New Contract With Ontario Hydro Restores Earning Power Behind Bonds — Little Income for Junior Equity

Ottawa Valley Power Co., controlled by Calgary Power Co., was the third of the Quebec utility companies to enter into a new contract with the Ontario Hydro-Electric Commission, following cancellation of the original contract in the fall of 1935.

Under the new contract, Ontario Hydro has agreed to buy from the company 96,000 h.p. at $12.50 per h.p. for the period from Feb. 4, 1937, to Oct.1, 1971. This represents a revenue of $1.2 million annually compared with $1.4 million annually under the former contract. The reduction of $240,000 in the company's gross income is partly offset by assumption of transformer cost and costs of buildings at Chats Falls by the Ontario Hydro.

The new deal provides that if the Hydro pays more than $12.50 per h.p. to other Quebec companies when the new contracts expire in 1945, then Ottawa Valley Power will get similar treatment.

The new agreement extends an option to the Ontario Hydro to buy 50,000 shares of common stock in the power company for $5 millions. However, Premier Hepburn of Ontario states that the Government does not intend to exercise the option at present.

Can Pay Interest

Interest payments on the Ottawa Valley bonds are expected to be resumed next Oct. 1. The two coupons for Oct. 1, 1936, and April 1, 1937, amounting to 5½%, have been deferred until April 1, 1938. However the company can pay these installments with interest on the interest at 5½%, by giving 30 days notice. The position of Ottawa Valley bonds, therefore, is that they will bear 5½% interest from April 1, with possibility of additional payments totalling 5½%.

Although refinancing of Ottawa Valley bonds is not an immediate prospect, the company, by calling and refunding them at the lower coupon issue, may eventually be able to save a large part of the concession on power rates given to the Ontario Hydro. Another possibility in the situation is the purchase of the plant by the Ontario Hydro under its option which might result in refinancing of the issue by the Commission.

Little for Junior Equity

Calgary Power Co. does not stand to get any immediate benefit from the new power deal. Bondholders of Ottawa Valley Power receive deferred interest before any dividends can accrue to Calgary Power, but it is also believed that restoration of working capital will take some time. However Calgary Power would receive a major part of the payment if the Ontario Hydro were to buy the Ottawa Valley Power's half of the power plant at Chats Falls on the Ottawa River. The Ontario half of the plant is already owned by Hydro.

Capitalization—	Authorized	Outstanding
Common, n.p.v.	50,000 shs.	50,000 shs.

85% of outstanding stock and debentures owned by Calgary Power Co.

Funded Debt—
1st mtge. S. F. bonds 5½%, due 1970, outstanding $9,000,000. Bondholders agreed to defer interest payment due Oct. 1, 1936, and Apr. 1, 1937, until Apr. 1, 1938.
Debentures, 6%, 40 year, (not publicly offered), $1,500,000.

Head Office—Montreal.

Officers and Directors—
Officers—C. W. Allen, pres.; G. A. Gaherty, vice-pres.; A. G. Mackinnon, sec.; F. C. Clarke, treas.; L. G. Proctor, asst. sec.
Directors—C. W. Allen, H. J. Symington, F. C. Clarke, A. G. Munich, G. A. Gaherty, R. B. Baxter, A. G. Mackinnon, all of Montreal.

Maclaren-Quebec

Parent Company Makes Up Deficit in Meeting Interest

There has been no change in the relations between Maclaren-Quebec Power Co, and the Ontario Hydro under the terms of the new contract, while unofficially it is understood that deliveries to James Maclaren Co. have been on an increasing scale owing to expansion of operations in the latter's pulp and paper mills.

The revised contract with Ontario Hydro calls for delivery of 40,000 h.p. at the rate of $12.50 a h.p. This represents a smaller dollar revenue than was called for under the old agreement, but the company has managed to maintain obligations in connection with its funded debt.

Merge All Accounts

Operations of Maclaren-Quebec Power are tied in with the scheme of the Maclaren Power and Paper Co., which, in addition to the power enterprise, controls the James Maclaren Co., operators of extensive timber limits and pulp and paper properties. Neither of the operating subsidiaries publish separate financial statements, so that the financial progress of the power company can only be judged by the report of the holding company.

Net profit of the parent company for 1936 was sufficient to cover bond and other interest before depreciation. While the earning power back of Maclaren-Quebec Power bonds leaves rather a poor margin of safety, the stake which Maclaren interests have in the power property is so large that it is taken for granted they will fully service the bonds until such time as earnings have developed to the point where the property can carry itself.

Capitalization—	Authorized	Outstanding
Common, n.p.v.	250,000 shs.	50,000 shs.

Entirely owned by Maclaren Power & Paper Co.

Funded Debt—
1st mtge. series A, 5½%, due 1961, outstanding $12,000,000.
5½%, series B, due 1964, $6,000,000.

Head Office—Buckingham, Que.

Officers and Directors—
Officers—Albert Maclaren, pres.; Alexander Maclaren, vice-pres.; J. A. Bryant, sec.; J. T. Black, treas.
Directors—Albert Maclaren, Alexander Maclaren, R. M. Kenny, T. F. Kenny, C. H. Maclaren.

Domestic Costs for Power Decline 12% in Last Decade

The cost of electricity for domestic service has declined over 12% since 1926, according to an index number compiled by the Dominion Bureau of Statistics. Using 1926 as a base year. Prince Edward Island, Nova Scotia, Quebec and Alberta have reported declines of more than 20 points. Domestic rates in Manitoba show little change during the period, as has also been the case in Ontario. The trend in the cost of electricity for domestic service in each of the nine provinces since 1926 follows:

(Index Numbers Weighted by Number of Customers, 1926)

	1927	1929	1931	1933	1934	1935
P. E. I.	100.00	84.58	84.58	74.62	74.62	74.62
Nova Scotia	97.17	92.71	72.66	71.51	71.51	71.33
New Brunswick	96.78	94.98	94.16	91.70	91.58	90.74
Quebec	99.01	93.74	85.30	84.91	82.25	79.07
Ontario	99.07	95.48	93.12	94.47	95.52	95.70
Manitoba	100.00	99.68	98.58	98.33	98.33	97.56
Saskatchewan	95.81	86.83	84.21	83.07	83.07	83.07
Alberta	99.37	80.06	78.75	78.75	78.75	78.26
British Columbia	100.00	82.94	82.87	83.76	83.76	83.76
Canada	99.01	93.05	88.75	89.09	88.74	87.78

Shawinigan

Power Sales Establish an All-time Record With Recovery in Business — Chemical Subsidiary Doing Well

Gross profits of Shawinigan Water and Power Co. in 1936 were larger than for any year since 1931. Net profits were not as large as the year before, due to special write-offs. However, the creation of larger reserves resulted in increasing the net working capital to over $4.4 millions, a gain of nearly 100% over that reported at the close of the previous year.

Shawinigan's power load has been steadily increasing over the last four years and the total power generated and purchased in 1936, amounting to 5,667 million kw.h., established a new all-time record. A favorable feature of the power load is the increase in the primary load reflecting greater demand for industrial and domestic purposes.

Gains Are General

The strength in Shawinigan's position over the past year was due to a general all-round improvement, rather than to any one particular development. Sale of electrical energy is higher today than ever before. The record production of newsprint in the company's territory has been an important factor in this regard, both in demand for primary and secondary power. The asbestos industry in the Eastern Townships of Quebec also has been operating at a record pace, adding appreciably to the power load. In the domestic field the company has been able to record further expansion.

Operations of the company's chemical subsidiary have been well maintained. Both output and earnings were higher in 1936. For many years Shawinigan has carried out a great deal of experimental work with carbide and its derivatives, with the result that sales have grown materially with the business recovery. Shawinigan has taken very little revenue from this subsidiary, preferring to use surplus earnings for improvements and further development work.

Improvement has been recorded in other directions. Quebec Power Co., in which Shawinigan holds controlling interest, reported a betterment in earnings last year. Saguenay Power Co., in which Shawinigan holds a 20% stock interest, paid two dividends over the past 12 months, while holdings in other corporations have strengthened and revenue from investments has been well maintained.

Important changes were made last year in connection with Shawinigan's funded debt, with the object of ridding the company of the liability of paying the principal and interest in more than one market. The old 5% bonds were replaced by a 4% issue, resulting in an annual interest saving of about $100,000 on the amount held by the public and also lessened the exchange hazard, which has proved expensive to the company in the past.

Investment interest in Shawinigan is increased by potential earnings from its chemical company, as well as stock investments in other utility companies. Last year the company indicated earnings of $1.03 a share as against disbursements of 65 cents a share and compared with the current rate of 80 cents a share. The company could pay a larger dividend without impairing its liquid position.

The outlook for the coming year is helped by prospects of expansion for the chemical subsidiary, which is to bring out several new products. Power sales both primary and secondary are increasing and with the continuation in the industry recovery in its territory, a further gain in earnings should be reported for 1937.

Capitalization—	Authorized	Outstanding
Com., n.p.v.	2,600,000 sh.	2,178,250 sh.

Funded Debt—
1st mtge. and collateral trust bonds outstanding:

Series A, 4½%, due 1967	$34,164,000
Series B, 4½%, due 1968	15,746,000
Series D, 4½%, due 1970	18,811,000
Series F, 4%, due 1961	18,875,000

Dividend Record—
Common—Present rate 80 cents per share per annum, payable quarterly Feb., May, Aug. and Nov. 15. Initial quarterly dividend at present rate paid Feb. 15, 1937, having been increased from 60 cents per share per annum.

Head Office—Montreal.

Officers and Directors—
Officers — J. E. Aldred, chm.; J. C. Smith, pres.; H. Murray, vice-pres.; W. S. Hart, vice-pres. and treas.; J. Wilson, vice-pres. and sec.; P. S. Gregory, asst. gen. mgr.; H. G. Budden, asst. treas.
Directors—J. E. Aldred, J. A. Walls, New York; H. Murray, Sir Herbert S. Holt, J. C. Smith, W. S. Hart, Beaudry Leman, G. W. MacDougall, G. H. Duggan, J. Wilson, Lt. Col. H. Molson, Montreal; A. E. Dyment, Toronto; Col. G. P. Murphy, Ottawa, Ont.; Hon. D. O. L'Esperance, Quebec, P.Q.

Times Fixed Charges Earned:

	1936	1935	1934
Before deprec.	1.95	1.91	1.82
After deprec.	1.58	1.66	1.57

Earn. per Share and Div. Record:

Common: Earned	$1.03	$1.17	$1.09
Paid	0.65	0.52	0.50

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Com.	29⅜	18⅜	23	14⅞	24½	15¼

Shawinigan Falls Terminal Rly. Co.
(Wholly owned by the Shawinigan Water & Power Co.)

Capitalization—	Authorized	Outstanding
Com., par $100	$300,000	$300,000

Entire stock issue owned by Shawinigan Water & Power Co.

Funded Debt—
First mtge. bonds, 5%, due 1957, outstanding $24,440. The Shawinigan Water & Power Co. owns all the bonds.

Head Office—Montreal.

Officers and Directors—
Officers—J. C. Smith, pres.; W. S. Hart, vice-pres.; W. A. Stitt, sec.; J. Wilson, treas., Montreal; B. G. Wood, gen. supt., Shawinigan Falls, Que.
Directors—J. C. Smith, W. S. Hart, H. Murray, J. Wilson, J. Morse, H. G. Budden, Montreal.

Hydro-Electric

Policy of No Information Leaves Debenture Holder in Dark

Hydro-Electric Bond and Share Corp. has not made public a financial statement, despite the fact that $3.5 millions of its collateral bonds were offered in the Canadian market in April, 1927. This company is controlled and directed by interests closely associated with Montreal Power, and beyond the general statement that the funded debt is covered by realizable assets and earnings are sufficient to take care of debt charges, nothing is known of the current financial position of the company.

Hydro-Electric Bond and Share Corp., as its name implies, is a holding company for Hydro-Electric securities. The trust deed securing the bonds, provides that no less than 65% of the company's resources will be invested in Canada or the United States; not more than 35% will be invested in issues other than Government or Public Utility shares and securities pledged with the trustee, shall at all times equal 125% of the principal amount of the bonds at that time outstanding.

Capitalization—	Authorized	Issued
Common, n.p.v.	600,000 shs.	200,000 shs.

Not publicly offered.

Funded Debt—
First collateral trust bonds, 5% series A, due 1957, $2,883,000.
Income debentures, due 1967, $2,000,000.

Head Office—Montreal.

Officers—Sir Herbert S. Holt, pres.; J. S. Norris, vice-pres.; S. Godin, Jr., man. dir.
Directors—Sir Herbert S. Holt, J. S. Norris, G. H. Montgomery, A. P. Holt and S. Godin, Jr., all of Montreal; J. H. Gundy, Toronto.

Quebec Telephone

Earnings Are Still Limited But Better Trend Expected

Quebec Telephone and Power Co., serving the Lower St. Lawrence River area below Quebec City, appears to have definitely stemmed the decline in operations and earnings. The report for 1936 is not available, but it is understood earnings up to the end of November showed an increase of between 9 and 10% over that reported for the corresponding period of 1935.

Quebec Telephone controls a number of small systems below Quebec City, interconnecting with the Bell Telephone Co. in the west, and New Brunswick Telephone Co. in the east, as well as other independent organizations in the area. Last year the company established telephonic communication between the south and north shores of the Lower St. Lawrence through installation of radio telephone service.

Operating profit in 1935, the last year for which a complete report is available, amounted to $138,610 compared with $131,661 in the year previous. Due to heavy charges, this improvement was not reflected in the net profit available for distribution on the capital stock which amounted to $953, as against $992 in 1934. The report for 1936 is expected to show a more marked gain in net profits.

Capitalization—	Authorized	Issued
Class A, n.p.v.	50,000 shs.	36,286 shs.
Class B, n.p.v.	50,000 shs.	35,196 shs.

Funded Debt—
1st mtge. and collateral trust 5% bonds, series A, due 1955, issued $400,000.

Dividend Record—
Last paid 20c, Jan. 2, 1931.

Head Office—Rimouski, Que.
General Office—Quebec, Que.

Officers and Directors—
Officers—J. A. Brillant, pres.; E. Beaubien, vice-pres.; P. E. Gagnon, sec.
Directors—J. A. Brillant, P. E. Gagnon, C. A. Couillard, Rimouski, Que.; E. Beaubien, Quebec; J. A. Desjardins, Matane, Que.; J. M. Robinson, Saint John, N.B.; Hugh Mackay, Montreal.

Times All Interest Earned:

	1935	1934	1933
Before deprec.	2.84	2.78	2.18
After deprec.	1.26	1.23	0.77

Earnings per Share and Dividend Record:

Class A: Earned	$0.03	$0.03	nil

Market Record—

	1936 High	1936 Low
Common A	7	3¾

Sherbrooke Plans Plant

The city of Sherbrooke has started preliminary work on its 7,000-h.p. development at Two Mile Falls on the St. Francois River.

Industries in Quebec Prosper

The fact that many manufacturers situated in Southern Canada Power Industrial Area have expanded operations and enlarged their premises during the past seven years, has a special significance in view of conditions elsewhere.

The reason is to be found in the favorable conditions for efficient and economic factory production which prevail in that area. These conditions have enabled manufacturers to meet Dominion and world-wide competition.

Any manufacturer who contemplates the enlargement of factory operations or the establishment of a new factory cannot afford to overlook this situation nor select a location without first investigating this area.

For further information or personal interview, apply to:

Industrial Department

SOUTHERN CANADA POWER COMPANY Limited

355 St. James Street W., MONTREAL, P.Q.

Record Boiler Deliveries

Secondary power delivered to electric boilers established a new high record in 1936 at 6,922 million kw.h. This represented 27% of the total output of the central electric stations and 10.9% above the 1935 output of secondary power.

OF INTEREST TO ALL

PUBLIC UTILITIES

A GROUP OF INDUSTRIES BASED UPON COAL TAR DERIVATIVES

DOMINION TAR & CHEMICAL CO. LIMITED

Manufacturers of the chemicals recovered from crude Coal Tar.

Creosote — Phenol — Cresols
Flotation Re-agents — Pitch Coke
Naphthalene — Road Materials.

CANADA CREOSOTING COMPANY LIMITED

Specialists in Timber preservation employing modern pressure processes and standard preservatives — creosote and zinc chloride.

Track Ties — Poles — Piling — Bridges
Fence Posts — Culverts — Marine
Structures — Treated Lumber and Timber
for miscellaneous structural purposes.

ALEXANDER MURRAY & COMPANY LIMITED

"Murray-Made" quality products for all types of buildings.

Roofing — Shingles — Siding — Waterproofing Compounds — Donnacona Insulating Board — Building Materials.

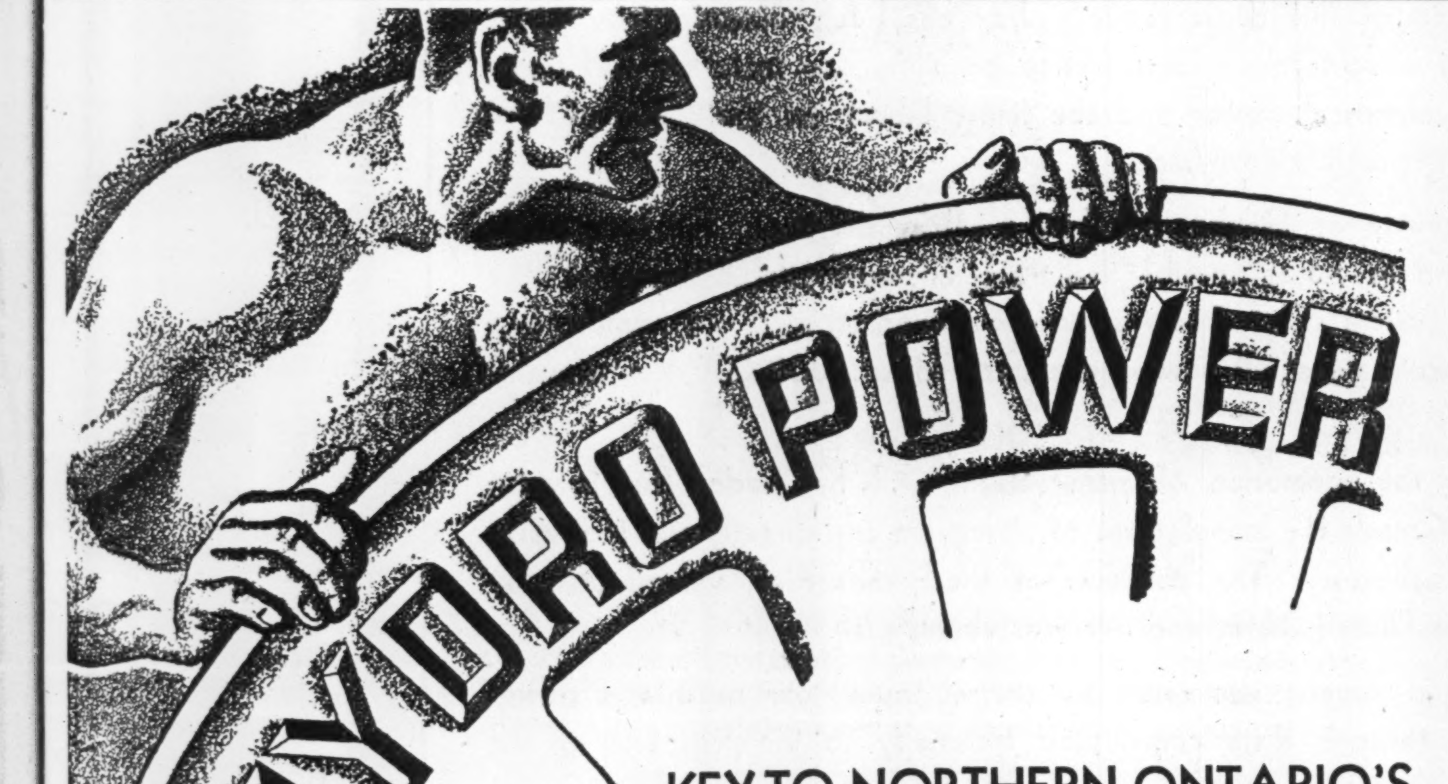
FIBRE CONDUITS (CANADA) LIMITED

Fibre Conduit for underground electrical distribution. Fibre Underfloor Duct.

An investment in these quality products will pay dividends year after year. Address any one of the above companies: —

606 CATHCART STREET MONTREAL, P.Q.

Factories and Branches Throughout Canada



The following districts and mines are served, or about to be served, by the Commission in Northern Ontario:

ABITIBI CANYON DEVELOPMENT
Bidgood Kirkland Gold Mines Limited
Buffalo Ankerite Gold Mines Limited
Central Porcupine Mines Limited
Delnite Mines Limited
Falconbridge Nickel Company
Glenora Gold Mines Limited
Kirkland Gold Rand Limited
Hallnor Gold Mines Limited
Hollinger Consolidated Gold Mines Limited—Young-Davidson
Hollinger Consolidated Gold Mines Limited—Hislop
International Nickel Company (25-cycles—two contracts)
Matachewan Consolidated Mines Limited
Moneta Porcupine Mines Limited
Northern Canada Power Corporation
Omega Gold Mines Limited
Pamour Porcupine Mines Limited
Paymaster Consolidated Mines Limited
Porcupine Lake Gold Mining Company Limited
Preston East Dome Mines Limited
Vimy Gold Mines Limited

SUDBURY DISTRICT—
International Nickel Company
Falconbridge Nickel Company

ESPANOLA DISTRICT—
McMillan Gold Mines Limited

ST. JOSEPH DISTRICT—
Central Patricia Gold Mines Limited
Pickle Crow Gold Mines Limited
Albany River Mines Limited

THUNDER BAY DISTRICT—
Bankfield Gold Mines Limited
Hard Rock Gold Mines Limited
Leitch Gold Mines Limited
Little Long Lac Gold Mines Limited
MacLeod-Cockshutt Gold Mines Limited
Northern Empire Mines Company Limited
Sand River Gold Mining Company Limited
Sturgeon River Gold Mines Limited

RED LAKE DISTRICT—
Howey Gold Mines Limited
McKenzie Red Lake Gold Mines Limited
Red Lake Gold Shore Mines Limited
Gold Eagle Gold Mines Limited
Madsen Red Lake Gold Mines Limited
Skookum Gold Mines Limited

KEY TO NORTHERN ONTARIO'S EXPANSION AND DEVELOPMENT

Industry follows power. Nowhere is this so strikingly illustrated as in Northern Ontario. With the extension of power lines into new areas, new districts spring into being, new populations and new payrolls follow overnight.

As these new districts grow, the increased demand for food, clothing and manufactured goods stimulates and affects the prosperity and general well being of all Canada.

Hydro has kept pace with this ever-increasing demand for extending its services, particularly to those key districts—Mining and Newsprint, which cannot exist without adequate power.

During the past year Abitibi Canyon Development was completed and five units are now installed. An additional unit has been installed and placed in operation at the Rat Rapids Development and an additional unit is being installed at the Ear Falls Development. Ninety-three miles of 110 kv. transmission line from Iroquois Falls to Kirkland Lake has been completed and placed in operation. A new 4500-kv-a transformer station is being installed in the Timmins District.

Hydro is now supplying 84,000 h.p. and serving thirty-nine properties in this rapidly-growing area from which new wealth to the extent of $179,230,000 was created in 1936.

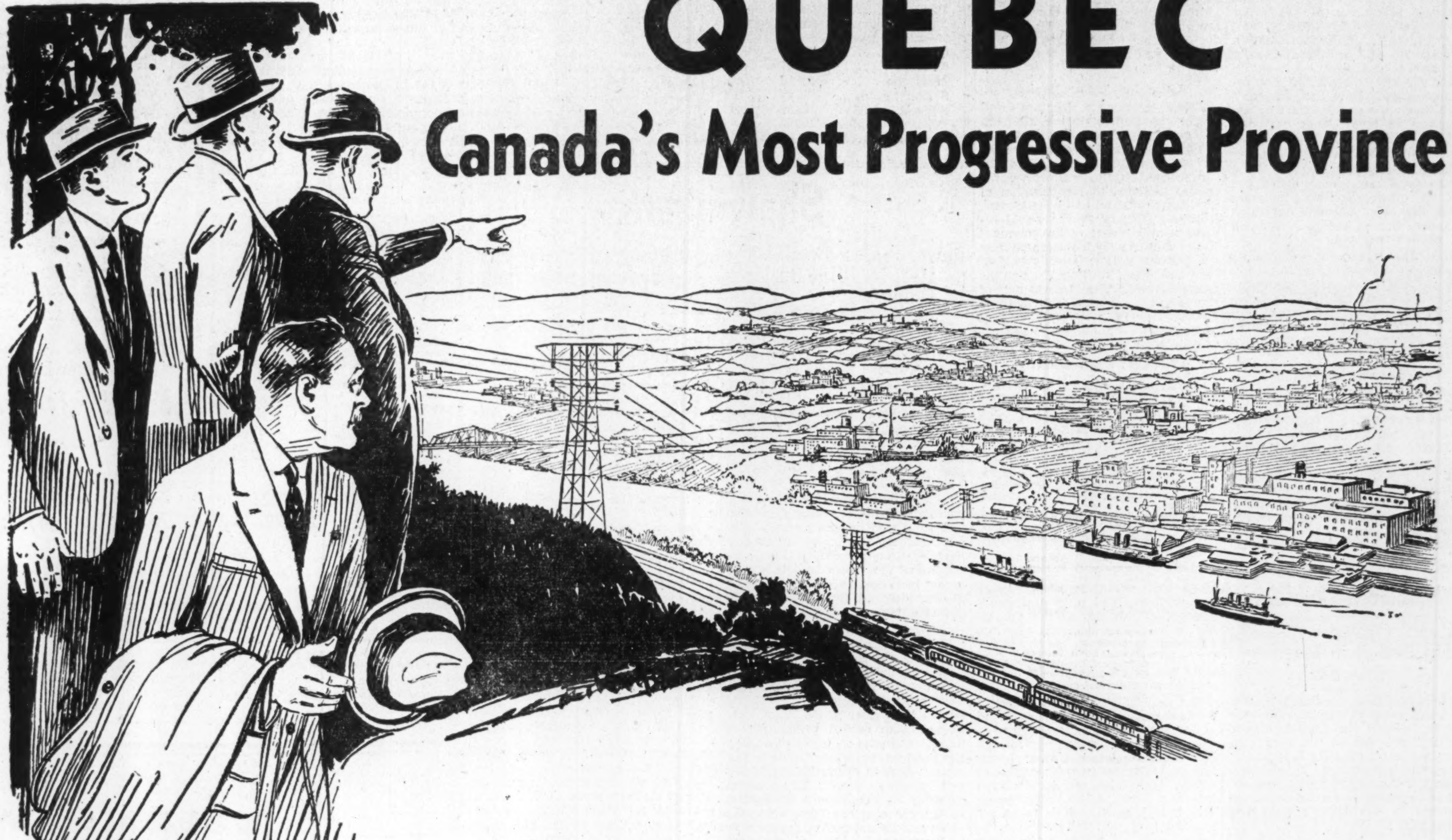
Industry follows Power. Prosperity follows stimulated Industry.

The
HYDRO ELECTRIC POWER COMMISSION
of Ontario

HYDRO IS YOURS.......USE IT

QUEBEC

Canada's Most Progressive Province



INDUSTRIALLY, the Province of Quebec is growing faster than any other province of the Dominion, and is obtaining increasing recognition from manufacturers as a most favoured area for industrial enterprise.

The Province and its people have always held to a "pay as you go" motto, and have directed their municipal developments and industrial expansion with moderation and caution. The wisdom of this conservative policy has been recognized by manufacturers who are taking advantage of convenience of sites, raw materials and transportation facilities, which united with low tax rates, economical electrical power and the finest labour on the continent have facilitated the establishment of plants for production on the lowest possible cost basis.

Shawinigan's contribution to the industrial growth of the Province of Quebec has been a substantial one. For forty years the aim of this Company has been to produce electrical energy and as far as possible make that energy available throughout the Province of Quebec. In carrying out this endeavour the power system created serves over four hundred rural communities and towns, as well as Montreal, Quebec and Three Rivers. The larger share of all power generated—over 1,000,000 h.p. annually—is supplied to basic industries.

From the outset the Company has included in its activities the promotion of manufacturing. It has made possible great pulp and paper production; was responsible for introducing into Canada the manufacture of aluminium and directly and indirectly has been an important element in stimulating the production of asbestos. The products of these industries, valued at many millions a year, are distributed not only in Canada, but also in the United States and overseas countries.

Development of these basic industries and the upbuilding of others, stimulated by the ability to command large power resources, have given employment to thousands of people and through them contributed materially to the prosperity of the Province of Quebec.

SHAWINIGAN POWER

The SHAWINIGAN WATER & POWER CO MONTREAL CANADA

Union Gas Co.

Operations of the Company Have Improved in the Current Year — Earnings of 75 Cents a Share Indicated

Union Gas Co. of Canada and its wholly owned subsidiary, Windsor Gas Co. and City Gas Co., of London, will report marked improvement in operations for the year ending March 31. For the nine months ended Dec. 31, 1936, net earnings after depreciation but before income tax, increased 164% to $262,706. In the same period of 1935 earnings amounted to $99,397.

The rise in earnings during this period was due largely to the sale of natural gas in the London area for heating purposes. This market was changed to natural gas in Oct., 1935, and benefits arising therefrom were not realized until the last quarter of the year ended March 31, 1936.

May Earn 75 Cents a Share

The company is also reaping the benefit of lower interest charges as a result of refunding operations carried out late in 1935. Expectations are that earnings in the current year will approximate 75 cents a share on the common stock compared with 55 cents a share in the year ended March 31, 1936. This estimate is based on the assumption that earnings for the last quarter of the year will be about the same as in the 1935-36 fiscal year.

At the present time the company is paying dividends at the rate of 50 cents a share per annum. Total payments in the 1936-37 fiscal year have amounted to 47½ cents a share, while no dividends were paid in the previous year. If the recent earning trend is maintained, there would appear to be reasonable prospects of increased dividends in the future. It is possible that the company will first improve its working capital which at March 31, 1936, amounted to only $234,000.

The company's natural gas production comes from wasting assets, but it has reserves sufficient for many years. Development work, with a view to increasing its reserves, is being carried on continuously.

Capitalization— Authorized Outstanding
Com., n.p.v... 1,000,000 sh. 706,192 sh.

Funded Debt—
1st mtge. bonds, dated Dec. 1, 1935; due, $250,000 annually on Dec. 1, 1938-45, inclusive; $2,000,000 on Dec. 1, 1950. 3½%, 1936-1938; 4% 1939-1942; 4½% 1943-1950; outstanding $4,500,000.

Funded Debt of Subsidiaries—
Windsor Gas Co., 5% 1st and refunding mortgage, due 1966, outstanding $1,068,000; City Gas Co., London, 6% 1st mortgage, due 1947; outstanding $207,000.

Dividend Record—
Common—35 cents paid in 1936; 12½ cents paid Mar. 15, 1937.
Special dividend of 10 cents May 1935.

Head Office—Chatham, Ont.

Officers and Directors—
Officers—S. A. Morse, pres. and gen. mgr.; D. A. Coste, 1st vice-pres.; R. L. O'Brian, vice-pres.; D. P. Rogers, vice-pres.; R. L. Bevan, gen. mgr., natural gas division; A. R. MacKenzie, compt., sec. and treas.; Pearl Wilson, asst. sec. and asst. treas.; F. R. Palin, asst. treas. and asst. compt.
Directors—S. A. Morse, D. A. Coste, Chatham, Ont.; Eugene Coste, Arthur F. White, D. P. Rogers, Toronto; W. L. Duffield, London, Ont.; W. J. K. Vanston, New York; R. L. O'Brian, C. M. Kennedy, Buffalo, N.Y.

Times Fixed Charges Earned:

Year End. Mar. 31:	1936	1935	1934
Before deprec. ..	2.62	1.95	2.13
After deprec.	1.86	1.43	1.64

Earnings per Share and Dividend Record:

Common: Earned	$0.55	$0.32	$0.51
Paid	nil	.10	nil

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Com.	17½	9	10	3¾	6½	3

Ottawa Light

No Change in Share Profits—Replace Old Preferred With New Issue

Earning power of Ottawa Light, Heat and Power Co. remained practically unchanged in 1936, net profits available for dividends amounting to $271,266 as against $296,779 in the previous year. After payment of dividends there was a book deficit of about $33,000 compared with $9,279 in the previous year.

There were no major changes in the financial position of the company at the end of last year. Investment securities advanced from $29,620 to $109,557. The funded debt declined during the year from $4.7 millions to $4.6 millions, while there was an increase in the outstanding preferred from $1.5 million to $1.7 million.

Following the policy adopted by many other corporations of taking advantage of the cheap money market, Ottawa Power carried out an operation designed to reduce charges. On Oct. 1 last, the old 6½% preferred stock was redeemed at 105. This issue, amounting to $1.5 million, was replaced by a new 5% issue to the amount of $1.7 million. While there was an increase in the principal amount, the annual dividend charges were reduced from $97,500 to $85,000. The saving amounts to slightly over seven cents a share on the new preferred, while on the common the saving amounts to more than 3.5 cents a share.

Capitalization— Authorized Outstanding
Common $8,000,000 $3,500,000
Pref. 5% 2,000,000 1,700,000
Par $100.

Funded Debt—
Refunding mortgage 5% bonds, series A, due 1957, outstanding $4,642,500.

Dividend Record—
Preferred—5% cumulative per annum, payable Jan. 2, April, July and Oct. 1. Initial dividend on new stock of $1.25 paid Jan. 2, 1937.
Common—6% per annum, payable Jan. 2, April, July and Oct. 1. Paid regularly.

Head Office—Ottawa.

Officers and Directors—
Officers—Hon. T. Ahearn, pres.; F. E. Bronson, vice-pres.; W. H. Munro, gen. mgr.; H. I. Anscombe, treas.; F. W. Fee, sec.
Directors—Hon. T. Ahearn, F. E. Bronson, T. Workman, G. F. Henderson, T. F. Ahearn, L. N. Poulin, Redmond Quain, Ottawa; W. C. Pitfield, H. MacKay, Montreal.

Times Fixed Charges* Earned:

	1936	1935
Before depreciation	2.61	2.73
After depreciation	1.99	2.10

*Comprising bond interest, exchange on bond interest, amortization of premium paid on redemption of bonds and financing expenses and premium on bonds for sinking fund.

Earnings per Share and Dividend Record:

Preferred: Earned	$15.96	$19.78
Paid	†6.12½	6.50
Common: Earned	5.05	5.69
Paid	6.00	6.00

†Three quarters at 6½% per annum and fourth quarter at 5% per annum.

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Com.	101½	88	89⅛	74	92	75
Pref.	*105	101½	111	100	104	90

*New stock.

OTTAWA ELECTRIC
(Controlled by Ottawa Light, Heat & Power Co.)

Capitalization— Authorized Outstanding
Com., par $100 $3,000,000 $3,000,000
Entirely held by Ottawa Light, Heat and Power Co., with the exception of directors' qualifying shares, as part security for bonds of parent company.

Funded Debt—
General and refunding bonds, 5%, due 1957 (not in hands of public) issued $4,669,479, all deposited as security for Ottawa Light, Heat & Power Co. refunding bonds.

Head Office—Ottawa.

Officers and Directors—
Officers—Hon. T. Ahearn, pres.; F. E. Bronson, vice-pres.; W. H. Munro, gen. mgr.; F. W. Fee, sec.; H. I. Anscombe, treas.
Directors — Hon. T. Ahearn, T. F. Ahearn, F. E. Bronson, G. F. Henderson, Hon. H. H. Horsey, all of Ottawa; W. C. Pitfield, H. W. Soper, Montreal; N. M. Scott, Toronto.

OTTAWA GAS
(Controlled by Ottawa Light, Heat & Power Co.)

Capitalization— Authorized Outstanding
Com., par $100 .. $2,000,000 $2,000,000
All deposited as security for Ottawa Light, Heat and Power Co., Ltd., refunding bonds, except directors' qualifying shares.

Funded Debt—
General and refunding bonds 5%, due 1957 (not in hands of public) issued $1,266,821. All these bonds are deposited as security for Ottawa Light, Heat & Power Co., Ltd., refunding bonds.

Head Office—Ottawa.

Officers and Directors—
Officers—Hon. T. Ahearn, pres.; F. E. Bronson, vice-pres.; W. H. Munro, gen. mgr.; F. W. Fee, sec.; H. I. Anscombe, treas.
Directors—Hon. T. Ahearn, F. E. Bronson, G. F. Henderson, J. R. Allan, Col. G. P. Murphy, W. L. Reid, A. E. Provost, all of Ottawa.

Montreal Tramways

Traffic Gains, But Commission's Revenue Insufficient to Meet All Charges — Decline Appears to be Checked

Montreal Tramways Co. continues to be affected by uncertainty over the political situation and the fact that revenues of the Tramways Commission have not been sufficient to pay all amounts owing to the company.

Under the terms of the contract entered into between the company and the City of Montreal in 1918, the former was guaranteed a fixed return of 6% on its capital investment, together with certain other charges. These payments have not been fully met since 1934. In addition, the Commission has found it necessary to defer payment of $500,000, representing the annual rental payable to the City of Montreal after the company charges have been met.

Contract Under Attack

From time to time there has been agitation in Montreal aldermanic circles for reduction in the payment to the company. A number of the aldermen favor reduction of the 6% rate to a point, which will permit the Commission to cover all its charges, including the annual rental to the city. Such a change would have to be approved by the Quebec Legislature.

The Commission's report for 1936 shows a more encouraging trend, but earnings are still below requirements. Though there was an increase in passenger traffic, the gain was not sufficient to enable the Commission to break even. Deficit for 1936 was $601,465, which was about $45,826 less than the year before. Toward the year's deficit, Tramways contributed $633,745, but this was partly offset by the $32,279 profit shown by auto buses.

Report Another Deficit

Physical assets of the Montreal Tramways Co. at the end of last year, according to the Commission's report, stood at $55.5 millions. During the year, $3.3 millions was paid the company by the Commission, being 6% on physical assets and $1,408 as interest on working capital, also at the 6% rate. In all, the Commission's revenue was about $133,000 short of meeting full payment to the company, while there was continued deferment of the $500,000 annual rental payable to the city

Despite the fact that the Commission's revenue has not been sufficient to meet charges owing to the company, the latter's income, including that from other sources, has been sufficient to cover interest charges on its outstanding bonded debt as well as pay dividend on the common stock. There is no indication of the management changing the dividend policy, but the political situation and the relatively low earning power of the Commission, combine to unsettle confidence in the Tramway Co.'s outlook.

Capitalization— Authorized Outstanding
Common $20,000,000 *$7,000,000
Par $100.
38,336 shares (54.77%) are held by United Securities, giving that company control.

Funded Debt—
First and refund. mtge. 5% bonds, due 1941, outstanding $21,351,000.*
Gen. and ref. mtge. gold bonds, outstanding:

Series A 5%, due 1955	$17,552,100
Series B 5%, due 1955	2,356,100
Series C 4½%, due 1955	2,324,600
Series D 5%, due 1955	4,892,300
Series E 5%, authorized	†2,000,000

†None issued.
*Excluding $2,260,000 held above as collateral security for the general and refunding mortgage bonds.

Dividend Record—
Common—9% per annum, payable quarterly, Jan., April, July and Oct. 15.

Head Office—Montreal.

Officers and Directors—
Officers—Julian C. Smith, pres.; W. C. Finley, vice-pres.; R. N. Watt, vice-pres.; K. B. Thornton, gen. mgr.; P. Dubée, sec.-treas.; C. H. Boire, asst. sec.-treas.
Directors—Julian C. Smith, Col. J. E. Hutcheson, Howard Murray, G. H. Montgomery, G. W. MacDougall, S. Godin, Jr., G. Caverhill, W. C. Finley, Beaudry Leman, Hon. J. P. B. Casgrain, all of Montreal.

	1935	1934	1933
Times Int. Earn.* ..	1.43	1.41	1.28

*Times interest and exchange.

Earnings per Share and Dividend Record:

Common: Earned	$9.06	$9.07	$8.82
Paid	9.00	9.00	8.75

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Com.	103	85	102	80	125	73

Nova Scotia Light

Consolidates Position as Maritimes' Largest Utility System — New Financing Cleans Up Underlying Bond Issues

Further expansion in operations and earnings, as well as consolidation of capital obligations, features Nova Scotia Light and Power Co.'s record over the past year.

Though final returns for 1936 are not available, an interim statement covering the 11 months ended Nov. 30, 1936, shows a gross income of nearly $2.3 millions and a net income of over $1.1 million. This compares with income of $958,409 for the corresponding period the year before. For the full year, therefore, it is expected that the statement will show a healthy increase in earning power.

Consolidating Activities

Nova Scotia Light is the largest public utility operator in Nova Scotia, providing power, gas and tramways services in the area centring on Halifax. Further, it has acquired control or purchased outright a number of other utility properties in the province. The stake in these associated enterprises has been carried among investments, but recently the company undertook a plan of consolidation which calls for the merging of the controlled properties and putting the cost of acquisition on a funded basis.

To that end the company issued $7 millions of new 4% first mortgage bonds toward the end of last January. With the proceeds the company redeemed its outstanding 5% series A and B first mortgage bonds; 6% first mortgage bonds of Chester Light and Power Co.; and the first mortgage bonds of Avon River Power Co. The bonds retired aggregated in value over 6.3 millions and the difference between that and the amount of the new bonds issued was used for the purpose of funding in part the cost of acquiring and construction extensions and additions.

More Stock Planned

The company is also planning to issue $300,000 of additional 6% cumulative preference shares, but no announcement has yet been made as to the particulars of this offering.

One of the principal acquisitions of Nova Scotia Light during the past year was the Annapolis Valley Electric Co. from Associated Gas and Electric Co. This property which has been transferred to the Avon River Power Co., serves Lawrencetown, Bridgetown, Bear River and surrounding districts.

The consolidation of finances—operation of some subsidiaries has not been consolidated as yet—gives Nova Scotia Light a commanding position in the provincial utility field. Earnings have been well developed, with the result that the economy is now paying at the rate of $5 a share on its ordinary stock.

Capitalization— Authorized Outstanding
Com., n.p.v.... 50,000 shs. 34,523 shs.
Pref., par $100 $5,000,000 $1,700,000

Funded Debt—
1st mtge. 4% bonds, due 1957, outstanding $7,000,000.

Dividend Record—
Preference—6% per share per annum, payable quarterly, March, June, Sept. and Dec. 1.
Common—Present rate $5 per share per annum, payable quarterly, Jan., April, July and Oct. 1. Initial dividend at this rate paid July 1, 1936. Previous rate was $3 per annum, from July 1933; prior to that time, rate had been $4 per annum.

Head Office—Halifax.

Officers and Directors—
Officers — J. C. MacKeen, pres.; J. McG. Stewart, vice-pres.; J. B. Hayes, mgr.; C. J. Hayes, sec.; A. W. Wentzell, treas.; H. B. Mitchell, asst. treas.
Directors—Hon. W. H. Covert, H. E. Mahon, J. McG. Stewart, J. C. MacKeen, G. MacG. Mitchell, Halifax; Denis Stairs, Montreal; R. J. Macadam, P. R. Jack, A. H. Whitman, Halifax.

Times Bond Interest Earned—

Years End. Dec. 31:	1935	1934	1933
Before deprec. & after other int..	2.71	2.71	2.50
After deprec. & other int.	2.05	2.08	1.91

†And U. S. premium paid.

Earnings per Share and Dividend Record—

Pref.: Earn.	$18.81	$18.56	$16.88
Paid	6.00	6.00	6.00
Com.: Earned ...	4.64	4.55	3.94
Paid	3.00	3.00	3.25

Market Record—

	1936 High	1936 Low	1935 High	1935 Low
Common	93	61	57	57
Preferred	104	100¾	84¼	61

Heavy Capital Investment

Capital invested in the water power industry of Canada at the beginning of this year is estimated at $1,890 millions.

United Fuel

Reorganization Plans Considered—Earnings Show Improvement

Operations of United Fuel Investments Ltd., subsidiary of Union Gas Co. of Canada, have recorded marked improvement in the current fiscal year which ends on March 31. During the first seven months of the year, consolidated earnings, after all charges, except income tax, was $221,404, an increase of $181,221.

Early in December the management estimated that earnings during the last five months would not show any particular increase over the earnings of the same period of the last fiscal year and that the improvement in earnings for the entire fiscal year would be approximately the amount realized during the first seven months. On this basis it would appear that net profit in the current year will amount to about $4.25 a share on the 6% preferred stock compared with $2.37 a share in 1935-36.

Improvement in earnings has been due principally to improved conditions in the marketing of coke and also to reduced interest charges resulting from the refinancing of the bonds of Hamilton By-Product Coke Ovens Ltd. It is possible that mild weather during January and February have adversely affected the company's earnings.

Reorganization Plans

Directors have been giving consideration to reorganization plans for some time, the preferred stock being in arrears to the extent of $34.50 a share. The purpose of the reorganization will be to place the capital structure of the company on a sound basis and enable the resumption of regular dividend to preferred shareholders commensurate with the company's earning power.

Public interest in the company is in its 6% preferred stock and in its subsidiaries in the bonds of Hamilton By-Products Coke and United Gas and Fuel Co. of Hamilton.

UNITED FUEL INVESTMENTS
(Controlled by Union Gas Co. of Canada)

Capitalization— Authorized Outstanding
Pref., par $100.. $25,000,000 $9,000,000
Com., n.p.v..... 250,000 shs. 100,000 shs.
*Over 99% held by Union Gas Co.

Funded Debt—
Gen. mtge. 6½% bonds due 1956, outstanding $450,000. Issued bonds all held by Union Gas Co.

Dividend Record—
Preferred—Entitled to 6% per annum. None paid since Oct. 1, 1931.
Common—None paid.

Head Office—Hamilton, Ont.

Officers and Directors—
Officers—S. A. Morse, pres. and man. dir.; A. F. White, vice-pres.; A. Ross MacKenzie, compt., sec. and treas.; H. G. Henry, asst. compt., asst. sec. and asst. treas.
Directors — S. A. Morse, Chatham, Ont.; Alex. L. Page, T. P. Pinckard, J. M. Pigott, Hamilton; A. F. White, J. A. Fraser, Toronto; R. L. O'Brian, Buffalo.

Times All Interest Earned:

Years End. Mar. 31:	1936	1935	1934
Before deprec....	2.49	2.40	2.20
After deprec......	1.86	1.79	1.72

Earnings per Share and Dividend Record:

Pref.: Earned ...	$2.37	$2.38	$2.73

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Pref.	58	20	29	15½	31	9¼

UNITED GAS & FUEL
(Controlled by United Fuel Investments)

Capitalization— Authorized Issued
Com., par $100... $2,000,000 $2,000,000
All owned by United Fuel Investments.

Funded Debt—
1st mtge. 5½% bonds, due 1948, outstanding $1,610,500.

Dividend Record—
None paid since 1927.

Head Office—Hamilton, Ont.

UNITED SUBURBAN GAS
(Controlled by United Fuel Investments)

Capitalization— Authorized Issued
Com., par $100 .. $500,000 $306,600
All owned by United Fuel Investments.

Ham. By-Products

Improved Market Conditions Result in Higher Profits

Hamilton By-Products Coke Ovens Ltd. will report sharply higher earnings for the year ending March 31 next. This was indicated by the statement released by its parent company, United Fuel Investments Ltd., in December last. It was then reported that consolidated earnings of United Fuel Investments had increased during the first seven months of the fiscal year by $181,221 to $221,404. This improvement, it was stated, was due principally to improved conditions in the marketing of coke and to reduced interest charges resulting from the refinancing of Hamilton By-Product bonds. The management estimated that no further increase could be expected during the last five months of the year.

Public interest in Hamilton By-Product Coke Ovens lies in its 5% first mortgage bonds totalling $2.5 millions and in $750,000 of 6% general mortgage bonds. All of its common stock is owned by United Fuel Investments Ltd., which in turn is controlled by the Union Gas. Co. of Canada.

Net earnings after depreciation and income taxes were 2.56 times annual interest requirements in the year ended March 31, 1936. Working capital at Feb. 29, 1936, was in excess of $1 million.

HAMILTON BY-PRODUCT COKE OVENS
(Wholly owned by United Fuel Investments)

Capitalization— Authorized Outstanding
Com., par $100... $1,000,000 $1,000,000
All owned by parent company.

Funded Debt—
1st mtge. 5% bonds, due 1955, series A, outstanding $2,500,000.
Gen. mtge., 6½%, due 1956, $750,000.

Officers and Directors—
Officers—S. A. Morse, pres.; W. L. Duffield, vice-pres.; J. P. Pinckard, vice-pres. and gen. mgr.; A. R. MacKenzie, compt., sec. and treas.; H. G. Henry, asst. compt. and asst. sec. and asst. treas.; H. A. Sawyer, asst. treas.
Directors — S. A. Morse, Chatham, Ont.; J. P. Pinckard, A. V. Young, N. S. Braden, J. P. Bell, W. H. Lovering, Hamilton, Ont.; W. L. Duffield, London, Ont.

Electrical Apparatus

Electrical apparatus and supplies manufactured in Canada in 1935 had a value of $61.1 millions, compared with $50.2 millions in 1934 and $37 millions in 1933.

Serving Nova Scotia

Nova Scotia Light and Power Company, Limited, serves the city of Halifax with electric energy, tramway transportation and gas.

In addition, either directly or through subsidiaries it supplies electricity in half the counties of Nova Scotia.

Dependable Progressive Service

This Company invites the further use of its facilities for industrial development and added comfort and convenience.

Nova Scotia Light and Power Company
LIMITED
Halifax, N.S.

Serving Over 1,500,000 People With Essential Utility Services

Power Corporation of Canada, Limited, . . . a Canadian organization . . . has specialized in hydro-electric development. Its record of achievement to date includes the financing, design, construction, operation and management of public utility properties throughout Canada.

Power Corporation controls, or is affiliated with, hydro-electric and utility companies in the provinces of Quebec, Ontario, Manitoba, Alberta, and British Columbia. These companies serve more than 1,500,000 people with electric power, gas and transportation services. Their combined gross earnings are in excess of $27,000,000, and over 40,000 residents of Canada are shareholders in these companies.

In the combined services of its Engineering and Construction divisions, Power Corporation offers the distinct advantages which accrue when design, supervision, and construction of a project are entrusted to a single fully-qualified, experienced and responsible organization. Through its Industrial Division over 100 major industries have been located in Canada.

Through its Dominion-wide interests Power Corporation enables the investor to participate in the united success of Canadian public utility development. Power production of the controlled and affiliated companies is now at a record, and is showing an average monthly increase of approximately 12% over production twelve months ago.

	H.P. Installed	Undeveloped Sites	Total Ultimate Capacity
Southern Canada Power Co. Ltd...	58,800	133,400	192,200
Canada Northern Power Corp. Ltd.	106,840	72,250	179,090
Winnipeg Electric Co..	270,000	135,000	405,000
East Kootenay Power Co. Ltd..	35,500	60,000	95,500
British Columbia Power Corp. Ltd.	279,160	851,000	1,130,160
Northern British Columbia Power Co.	7,700	29,800	37,500
	758,000	1,281,450	2,039,450

POWER CORPORATION OF CANADA
LIMITED
355 St. James Street West, Montreal

Fiscal Agents:
NESBITT, THOMSON & COMPANY, LIMITED

International Power

Steady Recovery in Earnings and Better Outlook — Put Preferred Back on Paying Basis

International Power Co.'s earnings have been increasing steadily and the 1936 report is expected to show an improvement over 1935, with bond interest and exchange premiums covered nearly twice over.

For a time the company was forced to defer dividends on its preferred stock, owing to lower income and also because of the impossibility of carrying out financing to cover certain capital expenditures undertaken by its subsidiaries and financed by the parent company. This situation has changed materially, with the result that the company has been able to reduce bank loans to a nominal figure, while earnings have been such as to justify resumption of dividends.

Pay Regular Dividends

The preferred stock is now on a regular $6 dividend basis, compared with cumulative requirements of $7 a share. At the end of 1935 the preferred was in arrears $26.75 a share, and the arrears were increased to the extent of $1 during the past year, bringing the total to $27.75. It is not expected that early action will be taken to clear up this contingent liability, but prospects for eventual liquidation appear promising.

Foreign exchange fluctuations in some of the countries in which the subsidiaries operate have been a handicap to the parent company, though the situation in this regard has been considerably bettered in the last couple of years. Through subsidiaries, International Power carries on utility operations in Newfoundland, Bolivia, Venezuela, Mexico, Salvador, British Guiana and Porto Rico. Transfer of funds from these units to the parent company has been costly at times, but since 1935 this has been accomplished on a more favorable basis to the company.

Reports Are Delayed

Owing to the length of time involved in securing the individual companies' returns, the consolidated report of the parent company does not come out until some months after the year end. Consequently it is not possible to compare returns for 1936 with those of 1935, when the company had a net profit of $608,513 available for dividends on the first preferred stock, which ordinarily require $560,000 a year.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ...	220,000 shs.	115,610 shs.
1st pref., 7% ...	$15,000,000	$8,000,000
2nd pref., 6% ..	2,000,000	2,000,000
Par $100.		

Funded Debt—

Gold debs., 6½%, due 1957 ..	$3,000,000
Do., 6%, due 1957	2,000,000
Secured debs., 6%, due 1955..	*2,000,000

*An additional $1,000,000 pledged with company's bankers.

Dividend Record—
1st pref. — Entitled to 7% per annum, quarterly, 1st Jan., April, July and Oct. Paid regularly to and including Oct. 1, 1931, when passed. $1 per share each paid Apr. 1, July 15 and Nov. 1, 1935. Placed on a $6 annual basis with payment of $1.50 Apr. 1, 1936, and regularly at this rate since.
2nd pref.—Cumulative from Mar. 1, 1927. None paid to date.
Common—None paid to date.

Head Office—Montreal.

Officers and Directors—
Officers—I. W. Killam, pres.; F. C. Clarke, sec.-treas.
Directors—I. W. Killam, Russell D. Bell, F. C. Clarke, H. J. Symington, Montreal; Col. J. H. Price, Quebec; Hon. W. D. Ross, L. M. Wood, Toronto; G. MacGregor Mitchell, Halifax; C. A. C. Bruce, St. John's, Newfoundland.

Year End. Dec. 31:	1935	1934	1933
Times deb. int. earn.	1.69	2.26	1.80
Earnings per Share and Dividend Record:			
1st pref.: Earned..	$3.80	$5.01	$3.51
Paid	3.00	nil	nil

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Com. ..	6⅝	3	6	1	5⅞	2
1st pfd.	95	57	64	40	68	14

BOLIVIAN POWER
(Owned and controlled by the International Power Co.)

Capitalization—	Authorized	Outstanding
Com., par $100	$3,000,000	*$3,000,000

*Approximately 77% held by International Power Co.

Funded Debt—
1st mtge. bonds, series A, 8%, due 1945, outstanding $1,369,500.

Dividend Record—
None paid since Dec., 1929.

Executive Office—Montreal.

Officers and Directors—
Officers—I. W. Killam, pres.; F. C. Clarke, sec.-treas.
Directors—I. W. Killam, N. S. Brooke, S. B. Hammond, F. C. Clarke, Montreal; A. Dumaine, Paris, France.

Quinte and Trent

Bondholders to Establish Board to Look After Interests

Quinte and Trent Valley Power Co. bondholders meet this week for the purpose of waiving default on interest and sinking fund payments to July 1, 1938, and to appoint a committee of bondholders to operate the company.

There have been no earnings available for bond interest but the company may stand to benefit if the Ontario Hydro proceeds with the development of power on the Trent River.

Capitalization—	Authorized	Outstanding
Pref., par $100 ..	$500,000	$350,500
Com., n.p.v. ..	10,000 shs.	5,006 shs.

Funded Debt—
1st mtge. 6% series A bonds, due 1955, outstanding $679,800. At bondholders' meetings held Dec. 1930, June 1932, and June 1934, bondholders agreed to defer interest from Jan. 1, 1931, to July 1, 1932, July 1, 1932 to July 1, 1934, and July 1, 1934 to July 1, 1937, respectively. On July 1, 1937, the accumulated interest from Jan. 1, 1931, will become payable. As at Dec. 31, 1935, accrued interest amounted to $224,334.

Head Office—Toronto.

Dividend Record—
Preferred — Entitled to 7% cumulative, payable Jan., Apr., July and Oct. 1; paid regularly Jan., 1927, to April 1, 1930; none since.
Common—$1 per share paid in 1927; none since.

Officers and Directors—
Officers—J. G. G. Kerry, pres.; Stanley Johnston, vice-pres.; A. S. Walker, sec.-treas.
Directors—J. G. G. Kerry, C. E. Whitten, Toronto; Stanley Johnston, John Kerry, Montreal; Hon. C. W. Robinson, Moncton, N.B.

DEMERARA ELECTRIC
(Controlled by International Power)

Capitalization—	Authorized	Outstanding
Com., par $100..	$425,000	*$425,000

*Over 50% held by parent company.

Dividend Record—
None paid since 1915.

Funded Debt—
1st mtge. 5½% deb. stock, due 1954, $422,400.

Executive Office—Montreal.

Officers and Directors—
Officers—I. W. Killam, pres.; Fred C. Clarke, sec.; L. Talbot, manager.
Directors — I. W. Killam, G. A. Gaherty, N. S. Brooke, Fred C. Clarke, Montreal; H. R. Silver, Halifax, N.S.

Times Bond Interest Earned—

	1935	1934	1933
After other int., before retire res..	3.64	3.15	3.01
After other int. & retire res.	2.17	1.75	2.21

Saguenay

Greater Canadian Investment Interest Results from 1936 Refunding

Saguenay Power Co., subsidiary of Aluminum Co. of Canada, carried out its anticipated refunding operation, bringing about a reduction in interest charges and the creation of a greater Canadian investment interest in the enterprise.

The refunding plan took four different forms. The first mortgage bonds were divided into two issues, series A amounting to $30 millions, payable in American funds, and offered only in the United States, while the series B bonds, $5 millions, payable in Canadian funds only, were offered in Canada. In addition there were $5 millions of serial notes, ranging from 2½% to 4%, which were offered in the United States. These notes were payable as to principal and interest in American funds. A block of $5 millions of 5½% cumulative preferred, offered in Canada, completed the refunding plan.

All of the net proceeds of the bonds, serial notes and preferred shares were used to redeem the predecessor company's outstanding first mortgage bonds and to the extent of approximately $1.9 million for the repayment of the company's 6% gold notes.

Expect Larger Earnings

The financial statement for 1936 has not been published, but an interim report for the nine months ended Sept. 30, showed operating revenues of $3.4 millions. Net profits for the period totalled $493,333, which was more than sufficient to cover dividends paid on the capital stock. Comparative figures for the previous year are not available.

This company has three principal outlets for its power—namely the Aluminum Co. of Canada, Shawinigan Water and Power Co., Price Bros. and Co. The first two contracts are in good standing, but the status of the latter is somewhat uncertain. When Price Bros. went into bankruptcy, the contract was repudiated.

Capitalization—	Authorized	Outstanding
Com., n.p.v.	300,000 sh.	210,000 sh.
Pref. 5½% cum.	$5,000,000	$5,000,000
Par $100.		

Funded Debt—
1st mtge. 4¼% bonds, due 1966, outstanding A $25,000,000; series B, $5,000,000. Serial notes, 2¼-4%, due 1937-1946, $5,000,000.

Dividend Record—
Preferred (new)—Entitled to 5½% per annum. Initial dividend of $1.37½ paid Aug. 1, 1936, and quarterly at that rate since.
Common—An initial dividend of $1.30 per share paid during 1932; $3 in 1934; $2 in 1935; $1.50 in 1936, in two payments of 75c. each, paid July 10 and Sept. 30.

Head Office—Montreal.
Officers—E. K. Davis, pres.; Leighton McCarthy, J. H. Price, R. E. Powell, vice-pres.; J. H. Alger, sec.; G. O. Morgan, Jr., treas.; J. F. Van-Lane, asst. sec.; F. L. Farrell, asst. sec. and asst. treas.
Directors—E. K. Davis, New York; J. H. Price, Quebec, P.Q.; Leighton McCarthy, J. F. Van-Lane, Toronto; Julian C. Smith, R. E. Powell, Aimé Geoffrion, Howard Murray, Montreal.

Times Bond Interest Earned:	3 Mos. ended Sept. 30, 1936	9 Mos. ended Sept. 30, 1936
Before depreciation ..	2.74	1.68
After depreciation ...	2.28	1.38
Earned per Share:		
Pref. (new): Earned ..	$7.85	$9.86
Paid	1.37½	1.37½
Common: Earned	1.54	2.02
Paid	1.50	1.50

Market Record—

	1936 H	1936 L
Preferred	101½	99¾

SAGUENAY ELECTRIC
(Controlled by Saguenay Power Co.)

Capitalization—	Authorized	Outstanding
Common	$1,700,000	$750,000
Preferred	800,000	700,000
Par $100.		

Majority of the issued stock owned by Saguenay Power Co.

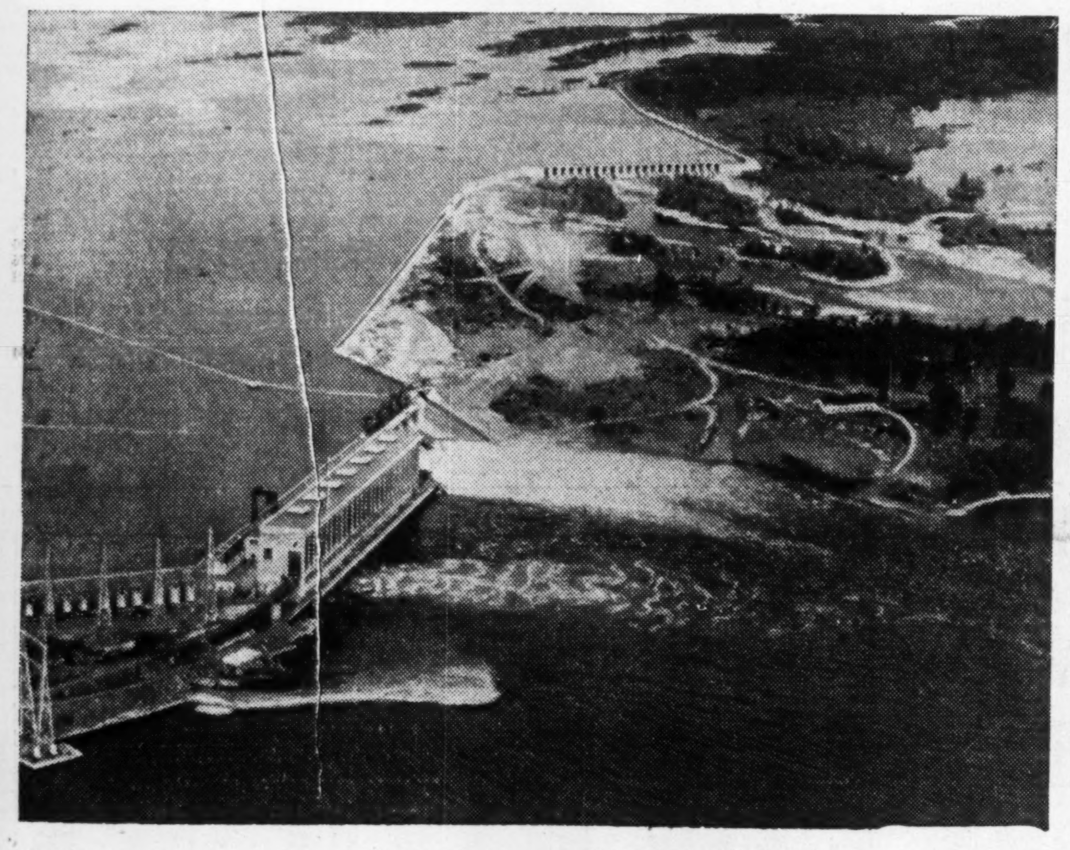
Funded Debt—
First mortgage and collateral trust 5½% bonds, series A, due 1953, $1,224,000.

Head Office—Chicoutimi, Que.

Officers and Directors—
Officers—J. E. A. Dubuc, pres.; McNeely Dubose, vice-pres.; V. Dubuc, sec.-treas.; J. H. Alger, asst. sec.; F. L. Farrell, asst. treas.
Directors—J. E. A. Dubuc, McNeely Dubose, V. Dubuc, Chicoutimi, P.Q.; J. C. Smith, R. E. Powell, Montreal.

Times Bond Interest Earned—

Years End. Dec. 31:	1935	1934	1933
Before deprec. ..	1.40	1.28	1.14
After deprec.	0.80	0.74	0.65



CHATS FALLS CALLS FOR $750,000 TRANSMISSION LINE

Hydro-Electric Power Commission of Ontario intends to build a transmission line to carry 60-cycle power from the Chats Falls plant on the Ottawa River to the Eastern Ontario System. The proposed line will terminate near Trenton and will cost about $750,000.

This air view of the Chats Falls plant, by Canadian Airways, shows how the development is located across the Ottawa River, half on the Quebec side on the right, and extending to the Ontario side of the river. The Ontario half of the power plant is owned by the provincial Hydro Commission and the Quebec side is owned by Ottawa Valley Power Co. The plant is developing 192,000 h.p. at present. Under the new contract negotiated recently, the Ontario Hydro was using 168,900 from the plant as at Feb. 17, 1937, and is paying Ottawa Valley Power Co. for energy.

The Ontario-Quebec border, which is somewhere under the waters of the Ottawa River, for purposes of the power development is marked precisely in the middle of the actual power house shown in the foreground.

Nfld. Power

Reduction in Fixed Debt Charges Adds to Earning Power

Newfoundland Light and Power, subsidiary of International Power Co., is understood to have experienced somewhat better operating conditions in 1936, while earning power compared satisfactorily with that reported in 1935, when gross income totalled $577,593 and net for dividends $263,286.

Accounts of the company are consolidated with those of International Power and for that reason relatively little is known about its financial condition. Last June, however, Newfoundland Power made a public offering of $450,000 of 5% general mortgage bonds for the purpose of raising sufficient capital for the retirement of the 7% mortgage debentures called for redemption on July 1 last. In the prospectus, it was stated that net income available for bond interest and depreciation for 1935 amounted to $356,205; depreciation to $80,000; interest charges on first mortgage bonds, $104,965, leaving $171,240 available for the general mortgage bond interest which amounts to $22,500 annually. Regular dividends have been paid on the common stock.

Under the new capital set-up, Newfoundland Power has outstanding less than $2.2 millions of first mortgage bonds, $450,000 of the general mortgage bonds and $1.5 million of capital stock, divided into 15,000 shares of $100 par value each. The majority of the latter are owned by International Power.

The latest information on operations indicates that the company serves around 8,500 customers.

NEWFOUNDLAND LIGHT & POWER
(Controlled by International Power)

Capitalization—	Authorized	Outstanding
Common	$2,000,000	*$1,500,000

*Over 95% held by parent company.

Funded Debt—
1st mtge. 4½% bonds, due 1956, outstanding $1,400,000; 5½% series B, due 1971, outstanding $763,000; 5% gen. mtge. debs., due 1956, outstanding $450,000.

Dividend Record—
Initial dividend of 2% paid in 1926; in 1927, 3%; and in 1928, 1929, 1930 and 1931, 4%. Not published since. In 1934 dividend paid at rate of 6% per annum.

Executive Office—Montreal.
Officers—I. W. Killam, pres.; F. C. Clarke, sec.
Directors—I. W. Killam, Denis Stairs, F. C. Clarke, Montreal; C. A. C. Bruce, Hon. W. S. Monroe, Hon. S. Milley, C. E. Hunt, St. John's, Newfoundland.

Earnings—Years ended Dec. 31—

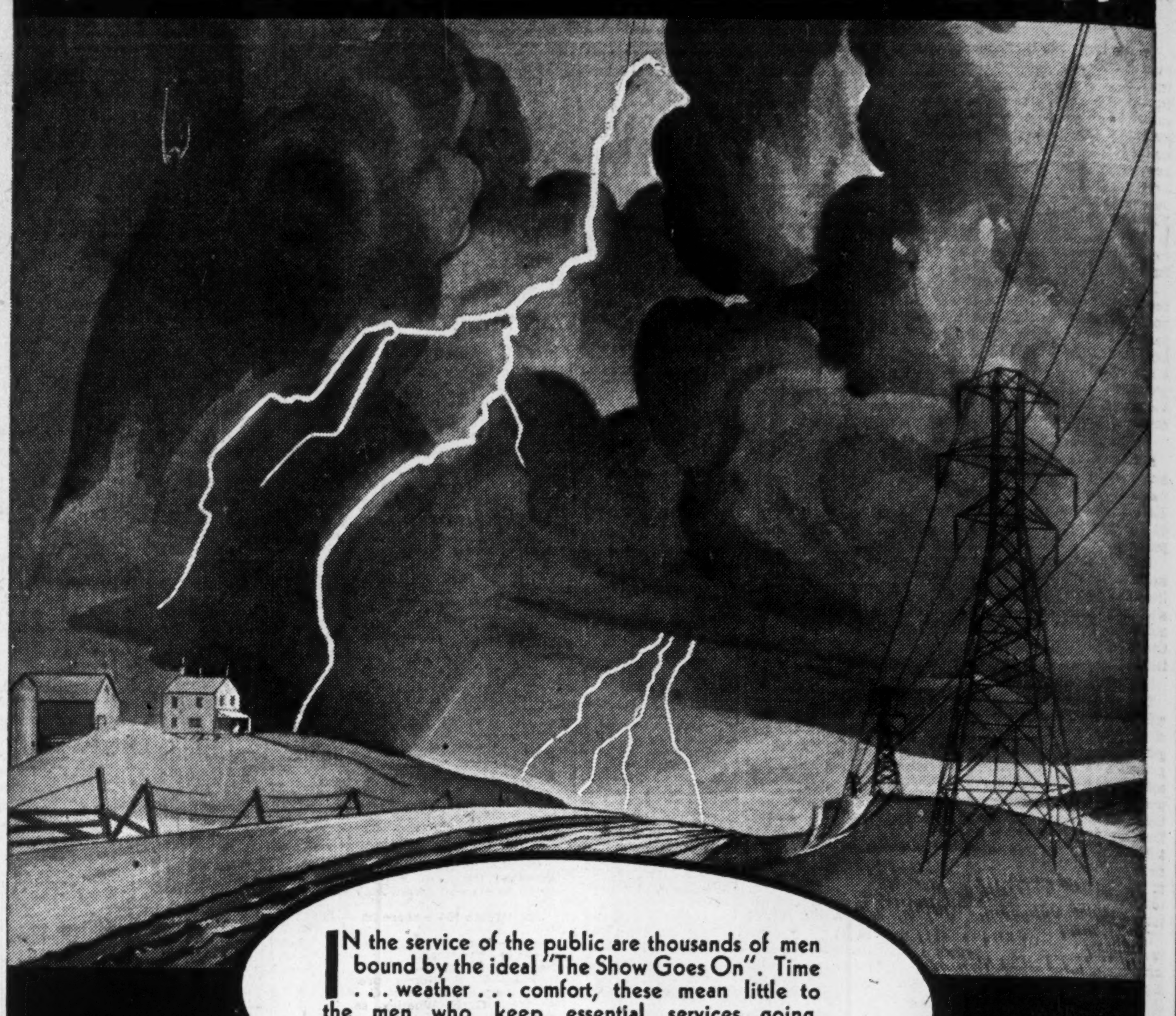
	1935 $	1934 $
Gross earnings	587,261	577,593
Less: Expenses	231,056	234,307
Depreciation	80,000	80,000
Available for interest	276,205	263,286

SOUTHWESTERN ONTARIO
has had the benefits of the production and distribution of
NATURAL GAS
for over Thirty years.

FROM A SMALL BEGINNING the natural gas industry has grown with a steady and sure Expansion. The history of the beginning and subsequent growth of the industry is also the history of this Company. Adequate gas reserves, a modern and efficient distribution system and a constant emphasis on good service to consumers, have enabled this Company to develop from a modest beginning until it now directly or through wholly-owned Subsidiaries distributes natural gas to over 50,000 consumers in the Cities of Windsor, London, Chatham, Sarnia and in many other towns and villages in Southwestern Ontario.

UNION GAS COMPANY OF CANADA, LIMITED
CHATHAM ONTARIO

The SHOW GOES ON!



Westinghouse

QUEBEC POWER COMPANY
POWER BLDG. - QUEBEC

Public Utilities Rendering the Utmost in Good Service to the Citizens of Quebec and District

Montmorency Falls—near Quebec City

Quebec City, Terminus of the Largest Ocean-going Vessels entering the St. Lawrence River, is an Important Manufacturing Centre

POWER
The first power plant was established in Quebec in 1890. Developing and progressing year by year, the present power system renders a public service second to none on the continent. Now owns and operates five power plants, and is interconnected with the Shawinigan System. Supplies the cities of Quebec and Levis, and 83 other towns and municipalities in the surrounding district.

GAS
The first gas plant and piping system was inaugurated in the City of Quebec in 1849, when only a few of the principal streets were piped. Today the Company's vertical retort plant is one of the most modern in Canada, and the distribution system covers almost every street in the City.

TRANSPORTATION
The first electric cars started operation in Quebec on July 20th, 1897. The equipment consisted of 36 single truck cars. Today the Company operates over 140 cars, mostly double truck, and operates over 76 miles of track, has two car sheds and a modern workshop in Limoilou.

Winnipeg Electric

Reorganization Places Company in Sounder Financial Position — Earnings Cover Senior Debt Charges

On the basis of the reorganization carried out last year, Winnipeg Electric Co. is in a position to carry its funded debt without difficulty. The consolidation of activities and elimination of underlying securities makes for a stronger set-up. On the new basis, the company is much stronger financially, and with an improvement in conditions in the Winnipeg territory, which is already in evidence, it should not take the company long to establish an earning power on its capital stock.

Ability of the company to earn depreciation and fixed charges under the new capital set-up is apparent from the monthly reports. Last January, Winnipeg Electric had a net income after reserve for depreciation and paying interest on the senior bonds, of $92,986, an increase of $10,896 over Jan., 1936.

Pay General Interest

During the early part of this month, reflecting the improvement, the directors authorized payment on May 3, of interest at the rate of 4% per annum for 1936 on the company's general mortgage bonds.

These bonds, series B, are outstanding to an amount of $6 millions and were issued as part consideration in exchange for $10 millions of Northwestern Power Co.'s 6% bonds under the recapitalization plan of 1935.

Certificates to Pay Off

The return on the capital stock will have to await the redemption of the non-interest paying contingent certificates. Under the reorganization plan, the company cannot pay any dividends on the preferred or common stocks until these certificates have been retired. There are outstanding approximately $1.9 million of certificates and with the return to normal conditions in its territory, it would not take the company long to earn sufficient funds for their redemption.

The report for 1936 has not made its appearance, but the interim statements indicate an upper trend both in power sales and income. For the 11 months ended November last, power output amounted to 734 million kw.h., as against 658 millions kw.h. for all of 1935, and 554 million kw.h. in 1934.

Improved working capital position was shown by the company as at Aug. 31, 1936, as compared with Dec. 31, 1936. Working capital amounted to almost $2.6 millions, as against $1.8 million at the end of 1935.

Company Seeks Concessions

Negotiations for the sale of the entire system to the City of Winnipeg were not successful, and are now definitely at an end. However, the company still seeks further concessions from the city in regard to its tramway operations. During February, an official request was made to the city for abolition of the 5% gross earnings tax, and modification of charges for paving and snow removal. The company is prepared to spend $350,000 during 1937 on a programme of rehabilitation if the taxation relief is granted. This would form part of a proposed five-year rehabilitation programme involving a minimum outlay of $1.5 million.

The company is also seeking a 25-year modern franchise, or an extension of the present agreement for the same period, with the city having the right to acquire the property at any time after reasonable notice.

Capitalization—	Authorized	Outstanding
Class A, n.p.v. ..	285,000 sh.	281,712 sh.
Class B, n.p.v. ..	283,581 sh.	283,581 sh.
Pref. 4-5%	$5,000,000	$5,000,000

Par $100.

In addition to the outstanding capitalization, contingent certificates totalling $1,921,234 have been issued, as provided for in the general plan of consolidation.

Funded Debt—
1st mtge. 4½%, due 1960, $3,500,000; gen. mtge series A bonds or deb. stock, 4-5%, due 1965, $27,446,200; series B, 1965, $6,000,000.

The company has announced that on May 3, 1937, it will pay interest at the rate of 4% per annum for the year 1936 on its general mortgage bonds and debenture stock, series B, due Jan. 2, 1965.

Dividend Record—
Preference—Entitled to non-cumulative preferential dividends at the rate of 4% per annum from Jan. 2, 1935, to Jan. 2, 1942; thereafter at the rate of 5% per annum. None paid.
Common—Classes A and B rank equally as to dividends. None paid.

Head Office—Winnipeg.

Officers and Directors—
Officers—Edward Anderson, pres. and gen. mgr ; W. J. Bulman, vice-pres.; J. S. Mackenzie, treas.; L. Palk, sec.; S. N. Currie and G. T. McIntosh, asst. secs.
Directors — Edward Anderson, W. J. Bulman, W. H. Carter, C. S. Riley*, Isaac Pitblado*, Winnipeg; G. de B. Greene*, William Ferguson*, New York; A. J. Nesbitt, P. A. Thomson, Montreal; J. A. McPhail, Sault Ste. Marie; George Kidd*, Vancouver; D. H. McDougall*, Toronto.
*Bondholders' directors, as provided for in the plan.

Earnings—Years ended Dec. 31:

	*1935 $	1934 $
Gross oper. revenue ..	6,401,800	6,126,716
Less: Oper. exp. & tax.	3,682,425	3,569,360
Net earnings	2,719,375	2,557,356
Less: Depreciation ...	1,000,000	1,000,000
Bank interest	62,500	62,500
First mtge. bond int.	157,500	157,500
Balance available	1,499,375	1,337,356

*Based on figures compiled by officers but not audited.

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Class A	6¼	1¼	..	..	..	..
Class B	5⅞	2¼	..	..	..	..
Pref. .	35	17½	..	..	..	..

SUBURBAN RAPID TRANSIT
(Entirely owned by Winnipeg Electric)

Capitalization—	Authorized	Outstanding
Common	$100,000	$100,000

Par $100.
†Of which six shares were held by directors and 994 shares held by Winnipeg Electric Co.

Funded Debt—
1st mtge. bonds, 5%, due 1938, issued $500,000. Guaranteed by Winnipeg Electric Co.

WINNIPEG, SELKIRK & LAKE WPG.

Capitalization—	Authorized	Outstanding
5% 1st mtge bds., due 1933	$400,000	$44,500
Com stk., par $10	$10,000	*$10,000
Com. stk.. par $100	$490,000	†$490,000

*All held by Winnipeg Electric Co.
†Of which six shares were held by directors and 4,894 shares held by Winnipeg Electric Co.

NORTHWESTERN POWER CO.

Capitalization—	Authorized	Outstanding
1st mtge. s. f. conv. bonds	$30,000,000	
Series A, 6%, due 1960		$10,000,000
6% pref., non-cum. par $100	$1,000,000	*$1,000,000
Com stock, n.p.v.	250,000 sh.	†250,000 sh.

*All held by Winnipeg Electric Co.
†Of which 28,759 shares were held by public and 221,241 shares held by Winnipeg Electric Co.

MANITOBA POWER CO.

Capitalization—	Authorized	Outstanding
5½% 1st mtge. bonds	$75,000,000	
Series A. 1951 .	$10,000,000	$9,163,700
Series B, 1952 .	$2,500,000	$2,358,000
Com. stock, n.p.v.	200,000 sh.	†200,000 sh.

†Of which 8,057 shares were held by public and 141,943 shares were held by Winnipeg Electric Co.

Nearly Eight Million h.p.

New hydro power installations during 1936 aggregated 36,475 h.p., bringing the total for the Dominion at the end of the year to 7,945,590 h.p.

Montreal Island Power

Preferred Shareholder Sues to Recover Original Investment

A development of considerable importance to the holders of the preferred stock of Montreal Island Power Co., controlled by Montreal Power, is the lawsuit brought by Joseph M. Pigott of Hamilton, against Nesbitt, Thomson and Co. Ltd., investment dealers, for recovery of $11,800 paid for Montreal Island preferred stock. The plaintiff alleges there was misrepresentation in the prospectus offering the stock for sale. This is denied by the defendant. The case has been heard in the courts and a decision is expected at any time.

If allegations of the defendant are upheld by the court and judgment awarded in favor of the plaintiff the ruling will be of considerable importance to the holders of the preferred stock, of which there is outstanding $1 million.

No dividends have been paid on the preferred or common stocks. At the beginning of this year the preferred was $54 a share in arrears. With the present installation of six units, it is incapable of earning more than bond interest and part depreciation. Originally 10 units were planned, but it is now claimed that the amount of water available does not permit the economic installation of further units.

The position of preferred shareholders is far from satisfactory at the present time. Prospects of a dividend are remote in view of the claim that further units cannot be operated economically.

Capitalization—	Authorized	Outstanding
Common, n.p.v.	100,000 shs.	75,000 shs.
Pref., par $100 ..	$1,000,000	$1,000,000

Funded Debt—
1st mtge. 5½% bonds, series A, due 1957, outstanding $9,250,000.
Montreal Light, Heat & Power Cons. owns a majority of the first mortgage bonds and the common stock.

Dividend Record—
Preferred—Entitled to $6 per annum, cumulative from Jan. 1, 1928, and payable quarterly Jan., Apr., July and Oct 1. No dividends have been declared as yet. In arrears $54 a share as at Jan. 1, 1937.
Common—None paid.

Head Office—Montreal.

Officers and Directors—
Officers—J. S. Norris, pres.; G. H. Montgomery, vice-pres.; C. S. Bagg, vice-pres.; G. R. Whatley, sec.; C. C. Parkes, asst. sec.; P. C. Drake, treas.; A. N. Sainte-Marie, asst. treas.
Directors — Sir Herbert S. Holt, G. Caverhill, J. S. Norris, G. H. Montgomery, S. Godin, Jr., J. C. Smith, Hon. J. M. Wilson, all of Montreal.

Times Fixed Charges Earned:

	1936	1935	1934
Before deprec. ..	1.19	1.22	1.21

Market Record—

	1936 H	1936 L	1935 H	1935 L
Common	2⅛	1½	*1.30	*1.00

*Odd lot.

Canadian Utilities

The 1936 financial statement of Canadian Utilities Ltd., subsidiary of Dominion Gas and Electric Co., is not available as yet, but the report of its parent company indicates that there was substantial improvement in its operations. Sales of electricity in 1936 amounted to 20.2 million kw.h., compared with 18.5 million kw.h. in 1935 and customers increased in number from 15,315 to 15,708.

In 1935 the company earned its bond interest 1.43 times before depreciation and 1.13 times after depreciation.

During the year the company modernized its generating station at Prince Alberta at a cost of $95,000 and erected a new office building at Drumheller at a cost of $30,000.

B. C. Power

Dividend on Class "A" Stock Raised as Trend Continues Favorable — Plan Increase in Power Facilities

By raising the dividend on the Class A stock from 40 to 45 cents a share quarterly, directors of British Columbia Power Corp. give recognition of the improved financial position and earning power of the company.

Gross earnings for the year ended June last showed an increase of about 7%, but increased operating costs kept net revenues down to the same level as in the year before. However, there was considerable cheer for the shareholders in the fact that power sales increased 38 million kw.h. during the year; the number of customers advanced over 3,200; passengers carried on the railway system increased three millions; freight tonnage advanced about 40%, while the gas department reported a healthy increase in consumption and number of consumers.

Current income of B.C. Power continues to show a favorable trend in its operations. For the seven months to the end of last February, net income was $101,797 ahead of the corresponding period of the preceding year. This would indicate earnings around the level of $1.75 a share on the Class A stock as against $1.64 a share in 1936.

Issue New Bonds

Toward the end of last year the company carried out an important piece of financing: $14 millions of first refunding and collateral trust bonds were issued to replace the existing 5 and 5½% bonds. This refunding is of benefit to the company from two points of view. In the first place interest charges will be reduced and, secondly, the company will be relieved of the obligation to pay principal and interest in three currencies as heretofore. The present financing provides that principal and interest on the bonds will be payable in Canadian funds only, whereas on the old issue the company had to pay at times substantial premiums on the purchase of American funds and sterling.

It is a little difficult to state at this time just what effect the refunding operation will have upon the capital stock. On the whole, it should be favorable, but it will, for the time being, have little effect upon earnings available on the stock.

Capital Outlay Planned

Reflecting the better trend in operations, the company's principal subsidiary, B.C. Electric Railway, plans an expenditure of $1.5 million on installation of a second 47,000 h.p. unit in the Ruskin plant. This will bring the capacity of the company's plants on the mainland up to 250,000 h.p., exclusive of the standby plant in Vancouver.

This is the biggest construction job undertaken by B.C. Electric in several years and will add about 50 million kw.h. of electrical energy to Vancouver's yearly supply.

Contracts have already been awarded for approximately $700,000. The turbines and butterfly valves will be installed by Dominion Engineering Works and the generators and regulating equipment by Canadian Westinghouse.

Capitalization—	Authorized	Outstanding
Class A pfd. n.p.	1,500,000 sh.	1,000,000 sh.
Class B n.p.v. ..	1,500,000 sh.	1,000,000 sh.

Funded Debt—
1st refund. coll. trust bonds, series A, 3, 3½ and 4¼%, due 1938-60, outstanding $14,000,000.

Dividend Record—
Class A—Entitled to non-cumulative preferred dividends of $2 per share per annum; $1.60 per share per annum, paid quarterly, Jan., Apr., July and Oct. 15, from Apr., 1936, to Jan. 15, 1937; 45c. payable Apr. 15, 1937.
Initial payment of 50c. per share paid Oct. 15, 1928, and regularly quarterly to and including Oct. 15, 1933; alternate quarterly payments of 37c. and 38c. paid from Jan. 15, 1934, to Jan. 15, 1936, inclusive.

Head Office—Vancouver.

Officers and Directors—
Officers—W. G. Murrin, pres.; A. T. Goward, vice-pres.; E. H. Adams, vice-pres. and treas.; E. Rogers, sec.
Directors—George Kidd, W. G. Murrin, E. H. Adams, Austin C. Taylor, H. R. MacMillan, Vancouver, B.C.; A. T. Goward, Victoria, B.C.; Sir Herbert S. Holt, A. J. Nesbitt, P. A. Thomson, J. B. Woodyatt, S. Godin, Jr., Montreal; J. H. Gundy Toronto; C. E. Calder, New York City; Andrew P. Holt, John Davidson, London, Eng.

Times Fixed Charges Earned:

Yr. End. June 30:	1936	1935	1934
Before deprec. and renewals ..	2.37	2.41	2.35
After deprec. and renewals ..	1.64	1.67	1.64

Earnings per Share and Dividend Record:

	1936	1935	1934
Class A· Earned	$1.64	$1.69	$1.65
Earned*	1.64	1.69	1.65
Class B: Earned*	nil	nil	nil

None paid.
*After taking participation feature into consideration.

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Cl. A	39	28½	30½	21	32⅞	22¾
Cl. B	11¼	3½	5	2	8½	4

B.C. ELECTRIC RAILWAY
(Controlled by British Columbia Power Corporation)

Capitalization—	Authorized	Outstanding
Cum. pref. 5% ..	£1,440,000	£1,440,000
Non-cum. pref. ordinary 5%	1,440,000	1,440,000
Def. ord. 7% non-com.	2,406,103	2,406,103
Ordinary	1,033,897	......

Par £1
Parent company holds all the outstanding preferred ordinary and deferred ordinary shares of the company's stock.

Funded Debt—

Perp Cons. deb. stock, 4¼%	£2,788,170
Van. Pr. perp. guar. deb. stock, 4¼%	1,500,000

Dividend Record—
Perpetual preferred: 5% cumulative, payable Jan. and July 15. Paid regularly since 1904. No public interest in ordinary stock.

Officers and Directors—
Officers—W. G. Murrin, pres.; E. H. Adams, vice-pres.; J. V. Armstrong, sec.
Directors — E. H. Adams, chairman; E. Rogers, W. Saville, E. W. Arnott, Vancouver.

Head Office—Vancouver.

B.C. ELECTRIC POWER & GAS
(Controlled by B.C. Electric Railway)

Capitalization—	Authorized	Issued
Pref. 6%, par $100	$5,000,000	$5,000,000
Common, par $1	20,000,000	*15,248,012

*Entirely owned by parent company.

Dividend Record—
Preferred—6% cumulative, payable quarterly on Jan., April, July and Oct. 1. Paid regularly.

Head Office—Vancouver.

VANCOUVER POWER CO.
(Controlled by British Columbia Electric Power & Gas Co., a unit of the British Columbia Power Corp.)

Capitalization—	Authorized	Outstanding
Common	$9,500,000	$9,500,000

Par $1.
Entire issue held by parent company.

Funded Debt—
The funded debt of the company is guaranteed by the British Columbia Electric Railway Co. For details see under funded debt of B.C. Electric Railway.

Head Office—Vancouver.

WESTERN POWER
(Controlled by the Vancouver Power Co., a unit of the B.C. Power Corp.)

Capitalization—	Authorized	Outstanding
Common	$5,000,000	$5,000,000
Preferred	5,000,000	850,000

Par $100.
The Vancouver Power Co. owns 99.7% of the entire preferred and common stock outstanding.

Funded Debt—
1st mtge., 5% due 1949, outstanding $4,001,374 5½% deb., due 1960, outstanding †$4,000,000.
†All pledged as collateral for bonds of B.C. Power Corp.)

Head Office—Vancouver.

N. W. Utilities

Amortization Period for Company Extended to 50 Years

While the financial statement of Northwestern Utilities for 1936 has not been published as yet, the report of its parent company, Dominion Gas & Electric Co., indicates that there was substantial improvement in its earnings. Public interest in the company lies in its first mortgage bonds and in its 6% preference stock. Bond interest has been earned every year.

During 1936 an adjustment was made in the company's capital structure, 15,000 shares of 8% preference stock and 60,000 common shares, all of which were owned by the parent company, were exchanged into 60,000 common shares.

Amortization Revised

The Board of Public Utility Commissioners of Alberta have authorized a revision of the plan of amortization and depreciation, resulting in a reduction of $60,000 annually in the provision for these purposes. The authorization was predicated on the existence of large reserves of gas owned by the company in the Kinsella field and the consistency of its reserves in the Viking field, which justified the extension of the assumed life of its plant for amortization purposes from 30 to 50 years.

During the year the company made steady progress in its efforts to secure heating business in Edmonton. There is still considerable room for expansion, since with the same population Edmonton is buying only half the amount of gas that Calgary does.

NORTHWESTERN UTILITIES

Capitalization—	Authorized	Outstanding
Common	60,000 shs.	60,000 shs.
Prior pref. 6%	1,000,000	*875,400

No par value (common). Par $100 (prior pref.).
All common owned by Edmonton Utilities Limited and Dominion Gas & Electric Co
*780 shares owned by Dominion Gas and Electric and 1,046 by other subsidiaries.

Funded Debt—
1st mtge. refunding bonds, series A, due 1949, 7% to and including payment due June 1, 1938; 6% thereafter to maturity, issued $2,101,500; 3-year 7% notes, due 1937, issued $250,000.

Dividend Record—
Prior preference—6% cumulative, payable Mar., June, Sept., Dec. 1. Paid regularly.

Officers and Directors—
Officers—H. R. Milner, pres. and man. dir.; E. W. Bowness, vice-pres.; J. Garrett, mgr. and sec.-treas.; J. P. Reilly, asst. sec.-treas.; J. T. Robertson, asst. sec.-treas.
Directors—F. W. Seymour, chm. of the board, Battle Creek, Mich.; H. R. Milner, J. Garrett, Edmonton; H. S. Watts, E. W. Bowness, P. D. Mellon, Calgary; C. H. Spencer, H. W. Braden and R. Martland.

Times All Interest Earned:‡

	1935	1934	1933
Before amort.....	$2.39	$1.74	$2.66
After amort.......	1.42	1.09	1.66

‡Based on total net profit after adjustment for interest and amortization already deducted.

Earnings per Share and Dividend Record:

	1935	1934	1933
Prior pref.: Earn.	$9.08	$2.20	$14.54
Paid	6.00	6.00	6.00

Dominion Gas

As a Result of Higher Gas and Power Sales, Earnings Show Sharp Increase—Working Capital Bolstered in 1936

A further increase in output and customers of its operating subsidiaries enabled Dominion Gas and Electric Co. to report a substantial improvement in earnings in 1936, net profit being equivalent to $337,563, compared with $200,976 in the previous year.

Public interest in Dominion Gas and Electric Co. lies in its 6½% first mortgage bonds of which there are $3,346,500 outstanding. Its common and preferred stock is entirely owned by International Utilities Corp. or its subsidiaries.

Interest on the 6½% bonds of Dominion Gas and Electric was earned 4.1 times in 1936, after prior charges of subsidiary companies but before depreciation, compared with 2.67 times in 1935. After both depreciation and prior charges of subsidiaries' interest was earned 2.3 times, compared with 1.47 times in 1935.

Sales Increase

During the past two years volume of natural gas and electricity sales of the company's subsidiaries has shown marked expansion. This expansion should continue as economic conditions in western Canada improve.

Improvement in the company's working capital position continues, working capital at the end of 1936 amounting to $938,363, compared with $503,385 at the end of 1935. In the years 1931 to 1934 inclusive there was a working capital deficit. During the year the company paid off $311,000 of notes owing to its parent company and in addition paid an initial dividend of $4 a share on its preference stock.

The company's operating subsidiaries are Canadian Western Natural Gas, Light Heat and Power Co. which supplies gas to the city of Calgary; Northwestern Utilities Ltd., which supplies gas to the city of Edmonton; and Canadian Utilities Ltd., which supplies electric power to 85 communities in Saskatchewan and Alberta.

Capitalization—	Authorized	Outstanding
Pref., n.p.v. ..	50,000 sh.	25,000 sh.
Com., n.p.v. ..	600,000 sh.	†136,428 sh.

†59,197.5 shares are reserved for the exercise of warrants attached to collateral trust bonds and 150,000 shares are reserved for conversion of preferred stock. In addition, 240 shares are held in the treasury.

Funded Debt—
Collateral trust 6½% gold bonds, due 1945, outstanding $3,946,500.

Dividends—
Preferred (new) — Dividends became cumulative Aug. 1, 1935; an initial payment of $2 per share was made Feb. 28, 1936. Total payments in 1936 were $4 a share.
Common (new)—None paid.

Head Office—Philadelphia.

Officers and Directors—
Officers — P. M. Chandler, chm. of board; H. R. Milner, pres.; B. M. Rebard, H. Williams, Jr., E. W. Bowness, vice-pres.; A. D. McNab, sec.; E. M. Butler, treas.; C. J. Springrose, asst. sec.-treas.
Directors—R. P. Buell, P. M. Chandler, L. A. Eddy, Hamilton Pell, F. W. Seymour, Alva F. Traver and A. D. McNab, New York; C. H. Scott, Jr., H. R. Milner, Calgary.

Times Fixed Charges Earned:*

	1936	1935	1934
Before deprec. ..	3.35	2.67	2.21
After deprec. ...	1.95	1.47	1.13

*Fixed charges of Dominion Gas and Electric after deduction of prior charges of subsidiaries.

Earnings per Share:

	1936	1935	1934
Preferred	$13.48	$8.04	$2.23
Common	†1.03	†0.17	nil

†After allowing $7 per share on the preferred stock.

West Kootenay Power

Sale of Bonds Privately Eliminates Public Interest

Public investment interest in the West Kootenay Power and Light Co., subsidiary of Consolidated Mining and Smelting Co. of Canada, practically ceased when the company redeemed its 5% first mortgage bonds and replaced them with a 4% issue, which was sold in its entirety to the Sun Life Assurance Co. of Canada.

Capitalization—	Authorized	Outstanding
Com., par $100 ..	$14,500,000	$6,112,000
Pref., par $100 ..	500,000	500,000

Entire common stock owned by Consolidated Mining & Smelting Co.

Funded Debt—
On March 1, 1936, the 5% first mortgage sinking fund bonds, series A, due 1956, of which there were $6,157,000 outstanding as at Dec. 31, 1935, were called for redemption at 104, and replaced by a new issue of 4% bonds, outstanding $6,500,000. The new bonds were taken as a whole by the Sun Life Assurance Co. of Canada.

Dividend Record—
Preferred—7% per annum, cumulative, payable Jan., April, July and Oct. 1; paid regularly.
Common—No fixed rate; dividends paid each year from 1904 to 1922; none thereafter until 1930 when 15% paid; 12% in 1931; 10% in 1932; none in 1933; 5% in 1934; 10% in 1935.

Head Office—Trail, B.C.

Officers and Directors—
Officers—J. J. Warren, pres. and man. dir.; L. A. Campbell, vice-pres. and gen. mgr.; F. E. McNally, sec.-treas., Montreal; C. B. Smith, asst. sec.-treas., Rossland, B.C.
Directors — J. J. Warren, Sir E. W. Beatty, Sir Herbert S. Holt, G. F. Benson, E. B. Hosmer, Rt. Hon. Lord Shaughnessy, Montreal; L. A. Campbell, Rossland, B.C.

Years End. Dec. 31:	1935	1934	1933
Times Bond Interest Earned:			
Before any deprec.	8.28	7.39	4.42
After all deprec.	5.10	4.33	1.91
Earnings per Share and Dividend Record:			
Pref.: Earned ..	$172.36	$152.01	$40.75
Paid	7.00	7.00	7.00
Com.: Earned† ..	13.52	11.86	2.76
Paid	10.00	5.00	nil

†Based on surplus for year only.

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Pref.	..	..	120	120	100	100

East Kootenay Power

Company Still Struggles With Limited Earnings—Loans Are Higher

East Kootenay Power Co., subsidiary of Power Corp. of Canada, has been able to report an improvement in its gross earnings, but operating expenses increased to such an extent, that net income for the six months ended Dec. 31 last, was fractionally lower than in the corresponding period of the preceding year.

Net earnings for the six months to the end of December totalled $226,727, or $1,793 less than in the same period the year before. Unless there is a marked change during the last quarter of the fiscal year, which ends on June 30, the company will not be able to do much better than earn interest charges on its funded debt and on loans advanced by Power Corp.

Loans from Power Corp.

The financial position of the company is far from satisfactory, the company carrying among its current liabilities notes payable to the parent company of almost $2.2 millions. These advances have been increasing steadily from year to year and it is difficult to see just what steps can be taken to capitalize these loans.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ...	50,000 shs.	30,000 shs
Pref., par $100 ..	$5,000,000	$1,000,000

Funded Debt—

Mtges., S. F. 7% bonds, series A. due 1942	$1,781,000
7% bonds, series B, due 1942	273,000

Dividend Record—
Preferred — Entitled to $7 per annum, cumulative, payable quarterly, March, June Sept. and Dec. 15. Paid regularly to and including Mar. 15, 1932; none since.
Common—None.

Head Office—Fernie, B.C.

Officers and Directors—
Officers — A. J. Nesbitt, pres.; J. B. Woodyatt, vice-pres.; A. B. Sanborn, gen. mgr., Fernie, B.C.; L. C. Haskell, sec.; V. J. Nixon, asst. sec.; C. Johnstone, treas.; T. Irving, asst. treas., Montreal; U. K. Colton, asst. sec.-treas., Fernie, B.C.
Directors—A. J. Nesbitt, L. C. Haskell, Hon. G. W. Scott, E. R. Parkins, P. A. Thomson J. B. Woodyatt, Montreal; A. B. Sanborn, Fernie, B.C.

Years End. Mar. 31:	1936	1935	1934
Times Interest Earned:			
Before deprec.	0.99	0.99	0.96

Market Record—

	1936 H	1936 L	1935 H	1935 L	1934 H	1934 L
Pref. .	16	5	14	5	7	3
Com. ..	2½	1	2½	½	3	3

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Officers and Directors
J. A. Brillant, *President.*
Ernest Beaubien, *Vice-pres.*
P. E. Gagnon, K.C., *Sec'y.*

Directors
J. A. Brillant
P. E. Gagnon, K.C.
C. A. Couillard
Ernest Beaubien
J. Arthur Desjardins
J. M. Robinson
H. McKay

The Quebec Telephone & Power Corporation, through subsidiaries, operates a telephone business in the counties of Laviolette, Champlain, Portneuf, Lotbinière, Levis, Beauce, Dorchester, Bellechasse, Rimouski, L'Islet, Montmagny, Matapedia, Matane and Gaspé, situated principally along the south shore of the St. Lawrence River, including the Matapedia Valley.

This territory, with a population of approximately 350,000, is one of the oldest settled portions of the Province of Quebec.

Connections with The Bell Telephone Company of Canada, New Brunswick Telephone Company, Limited, and other independent companies give subscribers the advantage of service throughout Canada and the United States.

In year 1936, communications have been established between Baie Comeau, Shelter Bay, Clark City, Chute aux Outardes to all territory in Canada and United States by the Radio-Telephony. This installation is located in Rimouski connected to Rimouski Exchange.

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Head Office • Rimouski, P.Q.
General Office: 47 Boulevard Charest, Quebec

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CANADIAN GENERAL ELECTRIC CO., LIMITED
HEAD OFFICE - TORONTO: SALES AND ENGINEERING OFFICES IN PRINCIPAL CITIES

Week in Mining

British Would Acclaim "Un-British" Rulings

Attack on Toronto Conference Tends Only to Confuse Bigger Issue — Inco Popular in Britain

There is apt to be confusion in the public mind over the lively debate now being waged over the administration of the Securities Commission in Ontario.

Most of the criticism centres around Bill No. 110, a bill aimed at amending the Securities Act.

A few, however, are levelling their lances at the recent rules and regulations adopted at the recent joint meeting of Securities Commissions held in Toronto.

The two issues should be kept separate, particularly in view of the calibre of criticism aimed at the Toronto conference. This criticism appears, on the surface, a deliberate attempt to attack the work of the Toronto conference under cover of the more general attack on the amendment to the Securities Act.

Both are branded "un-British." Whether or not the amendment violates principles of British justice is one question. It would, however, be difficult to point to anything "un-British" in the conclusions arrived at by the Toronto conference, details of which were published in the last issue of The Financial Post.

Ironically enough, the first to endorse a firmer hand against stock manipulators would be the British themselves, whose chief grievance against Canadian mining is that they have been mulcted so often in the past.

Inco Still Favored

SHREWD and usually well-informed English financial journals are still favoring stock of International Nickel over the next year or so. In a current issue, The Investors Chronicle and Money Market Review states:

"Prospects for International Nickel over the next few years are extremely favorable. Industrial consumption of nickel is increasing along with rising trade activity and the discovery of new applications. In addition, demand for armaments purposes is very heavy. Profits are now running at record levels. Subsidiary metals, of which copper is the most important, are also benefiting from increased output and prices. In the longer term, the company is vulnerable to cyclical fluctuations, and may suffer from any slowing down of armament construction, especially since production capacity has been considerably increased largely to meet the additional armaments demands."

Sterling Flow Is Promising

From Our Own Correspondent

CALGARY.—Turner Valley has a new crude oil gusher. Royalite-Sterling Pacific 4, located just north of the Turner Valley Royalties crude oil discovery well, struck production this week at a depth of 7,184 ft., including 474 ft. of limestone. S. F. Heard, official of the Royalite Oil Co. Ltd., announced the production for the first 24 hours at 1,074 barrels and for the second 24 hours at 1,204 barrels.

During the latter part of the second 24 hours, according to Mr. Heard, there was a substantial increase in yield and the well is expected to average between 1,300 and 1,400 barrels of 43.5 gravity oil daily.

The strike at Royalite-Sterling Pacific indicates that prolific crude production may be expected to the north of the B. and B. and Turner Valley Royalities wells. Royalite, Imperial Oil subsidiary, purchased the assets of the Sterling Pacific Co. in 1934 for 37,000 Royalite shares.

Mine Output For Ontario Hits Record

Gold Up 6.3%, Nickel 24% and Copper 39.4%

Ontario's gold producers, which in the first quarter century of their history never failed to show annual increases, kept up this unique record in 1936, it is shown in final figures just released by the Ontario Department of Mines.

Gold production for Ontario in 1936 was valued at $82,980,509, an increase of over 6% over 1935's figure of $78,068,169.

In other metals, a striking advance was noticeable in the final 1936 figures. Nickel production increased 24%. Copper production was up 39.4%. Platinum metals and cobalt also showed important increases.

Non-metallic minerals rose from $7,766,657 to $8,887,655 in 1936. This production exceeds that of 1929.

The following table shows Ontario metal production to Dec. 31, 1936:

Metal Production to December 31, 1936

Metal or product	1936 $	To Dec. 31, 1936 $
Gold	48,969,862	624,470,954
Exch. equalization	34,010,647	123,628,398
Nickel	43,878,958	470,747,101
Silver	2,320,000	266,675,922
Copper*	26,895,448	206,239,989
Pig iron	....	84,775,556
Cobalt†	802,390	27,836,861
Platinum metals	7,802,978	44,204,554
Iron ore‡	....	9,463,516
Lead	684	4,487,229
Zinc, ore & conc.	....	535,696
Molybdenite	....	210,015
Bismuith	3,516	165,215
Selenium	188,151	509,987
Tellurium	18,049	72,198
Chrome ore	§	10,056
Total	164,890,683	1,864,033,247

*Includes small quantities of copper sulphate in early years.
†Includes metal, oxide, salts, and cobalt contents of residues exported.
‡Value of ore shipped out of the province.
§Not given.

Following is a break-down of the figures supplied by the Ontario Department of Mines showing the record of the leading gold producers in Canada for the entire 12 months, and for the last quarter of the year:

Porcupine Camp

Vipond (Anglo-Huronian)

	4th quar.	12 mos.
Total recovery ......$	123,784	463,391
Tons milled	25,759	105,487
Recovery per ton ....$	4.81	4.39
Tons daily	280	288

Buffalo Ankerite

	4th quar.	12 mos.
Total recovery ......$	588,335	1,888,829
Tons milled	77,678	271,736
Recovery per ton ....$	7.57	6.95
Tons daily	844	742

Coniaurum

	4th quar.	12 mos.
Total recovery ......$	350,833	1,390,261
Tons milled	42,925	168,715
Recovery per ton ....$	8.17	8.24
Tons daily	467	461

Dome

	4th quar.	12 mos.
Total recovery ......$	2,016,584	7,315,168
Tons milled	138,800	553,900
Recovery per ton ....$	14.53	13.21
Tons daily	1,509	1,513

Gillies Lake-Porcupine

	4th quar.	12 mos.
Total recovery ......$	87,163	166,531
Tons milled	5,136	18,410
Recovery per ton ....$	16.97	9.05
Tons daily	56	50

Hollinger

	4th quar.	12 mos.
Total recovery ......$	3,774,159	14,326,515
Tons milled	438,956	1,755,768
Recovery per ton ....$	8.60	8.16
Tons daily	4,771	4,797

Hollinger (Ross)

	4th quar.	12 mos.
Total recovery ......$	55,669	209,698
Tons milled	7,628	27,540
Recovery per ton ....$	7.28	7.62
Tons daily	82	...

McIntyre Porcupine

	4th quar.	12 mos.
Total recovery ......$	1,962,667	8,211,010
Tons milled	218,400	869,000
Recovery per ton ....$	8.99	9.45
Tons daily	2,374	2,374

Pamour Porcupine*

	4th quar.	12 mos.
Total recovery ......$	406,577	809,933
Tons milled	65,560	138,187
Recovery per ton ....$	6.20	5.86
Tons daily	713	...

*Mill started May, 1936.

Paymaster

	4th quar.	12 mos.
Total recovery ......$	271,402	972,427
Tons milled	39,207	140,962
Recovery per ton ....$	6.92	6.90
Tons daily	426	385

Kirkland Lake Camp

Bidgood

	4th quar.	12 mos.
Total recovery ......$	103,708	362,318
Tons milled	7,649	26,518
Recovery per ton ....$	13.56	13.66
Tons daily	83	72

Kirkland Lake Gold

	4th quar.	12 mos
Total recovery ......$	201,743	746,189
Tons milled	20,746	84,679
Recovery per ton ....$	9.72	8.81
Tons daily	226	231

Lake Shore

	4th quar.	12 mos.
Total recovery ......$	3,976,933	15,882,078
Tons milled	225,923	887,571
Recovery per ton ....$	17.60	17.89
Tons daily	2,456	2,425

Macassa

	4th quar.	12 mos.
Total recovery ......$	333,459	1,260,414
Tons milled	18,818	70,878
Recovery per ton ....$	17.72	17.78
Tons daily	313	194

Omega

	4th quar.	12 mos.
Total recovery ......$	133,774	430,273
Tons milled	35,828	113,897
Recovery per ton ....$	3.73	3.78
Tons daily	389	311

Sylvanite

	4th quar.	12 mos.
Total recovery ......$	575,069	2,099,128
Tons milled	42,622	162,185
Recovery per ton ....$	13.49	12.94
Tons daily	463	443

Teck Hughes

	4th quar.	12 mos.
Total recovery ......$	1,170,211	4,747,833
Tons milled	99,194	403,712
Recovery per ton ....$	11.79	11.76
Tons daily	1,078	1,103

Toburn

	4th quar.	12 mos.
Total recovery ......$	194,078	723,295
Tons milled	8,020	34,440
Recovery per ton ....$	24.19	21.00
Tons daily	87	94

Wright Hargreaves

	4th quar.	12 mos.
Total recovery ......$	1,929,997	7,588,550
Tons milled	106,550	400,310
Recovery per ton ....$	18.11	18.96
Tons daily	1,158	1,093

Matachewan

Matachewan Consol.

	4th quar.	12 mos.
Total recovery ......$	116,678	425,265
Tons milled	15,251	55,797
Recovery per ton ....$	7.65	7.62
Tons daily	165	152

Young-Davidson

	4th quar.	12 mos.
Total recovery ......$	300,774	862,240
Tons milled	81,534	301,163
Recovery per ton ....$	3.68	2.86
Tons daily	886	822

Algoma

Algold*

	4th quar.	12 mos.
Total recovery ......$	9,872	14,948
Tons milled	1,925	3,073
Recovery per ton ....$	5.12	4.81
Tons daily	21	...

*Mill tuned up February.

Darwin

	4th quar.	12 mos.
Total recovery ......$	62,575	231,401
Tons milled	4,780	17,598
Recovery per ton ....$	13.10	13.14
Tons daily	52	48

Minto

	4th quar.	12 mos.
Total recovery ......$	30,866	150,596
Tons milled	9,942	39,385
Recovery per ton ....$	3.88	3.95
Tons daily	108	107

Parkhill

	4th quar.	12 mos.
Total recovery ......$	75,326	335,998
Tons milled	5,824	22,441
Recovery per ton ....$	12.93	14.97
Tons daily	63	61

Thunder Bay

Ardeen

	4th quar.	12 mos.
Total recovery ......$	51,078	234,134
Tons milled	9,724	39,545
Recovery per ton ....$	5.25	5.92
Tons daily	105	108

Little Long Lac

	4th quar.	12 mos.
Total recovery ......$	418,453	1,500,792
Tons milled	22,775	83,555
Recovery per ton ....$	18.37	17.96
Tons daily	247	228

Northern Empire

	4th quar.	12 mos.
Total recovery ......$	241,854	1,002,521
Tons milled	16,564	64,645
Recovery per ton ....$	14.60	15.00
Tons daily	180	176

St. Anthony

	4th quar.	12 mos.
Total recovery ......$	36,945	160,394
Tons milled	4,618	28,408
Recovery per ton ....$	8.00	5.64
Tons daily	50	77

Tashota

	4th quar.	12 mos.
Total recovery ......$	15,562	224,183
Tons milled	4,223	23,590
Recovery per ton ....$	3.50	9.50
Tons daily	45	64

Kenora & Rainy River

Kenora Prospectors

	4th quar.	12 mos.
Total recovery ......$	7,000	145,127
Tons milled	2,793	13,882
Recovery per ton ....$	2.50	12.46
Tons daily	30	38

Wendigo

	4th quar.	12 mos.
Total recovery ......$	32,941	109,570
Tons milled	7,162	15,936
Recovery per ton ....$	4.59	6.87
Tons daily	77	43

Patricia

Argosy*

	4th quar.	12 mos.
Total recovery ......$	85,878	130,027
Tons milled	4,685	9,872
Recovery per ton ....$	18.33	13.17
Tons daily	...	...

*Mill started July, 1936.

Central Patricia

	4th quar.	12 mos.
Total recovery ......$	338,916	1,133,202
Tons milled	16,650	58,466
Recovery per ton ....$	20.35	19.38
Tons daily	180	159

Howey Gold

	4th quar.	12 mos.
Total recovery ......$	292,757	1,251,588
Tons milled	134,473	528,528
Recovery per ton ....$	2.17	2.36
Tons daily	1,461	1,444

Hudson Patricia*

	4th quar.	12 mos
Total recovery ......$	14,957	31,630
Tons milled	3,150	7,305
Recovery per ton ....$	4.74	4.32
Tons daily	34	...

*Mill started summer, 1936.

J.-M. Consolidated

	4th quar.	12 mos.
Total recovery ......$	98,660	119,603
Tons milled	8,385	12,160
Recovery per ton ....$	11.76	9.83
Tons daily	91	..

McKenzie Red Lake

	4th quar.	12 mos.
Total recovery ......$	163,944	700,820
Tons milled	22,909	61,611
Recovery per ton ....$	7.15	11.37
Tons daily	249	168

Pickle Crow

	4th quar.	12 mos.
Total recovery ......$	406,020	1,612,451
Tons milled	23,814	63,758
Recovery per ton ....$	17.04	25.29
Tons daily	258	174

Red Lake Gold Shore*

	4th quar.	12 mos.
Total recovery ......$	102,054	138,400
Tons milled	11,488	14,918
Recovery per ton ....$	8.88	9.27
Tons daily	124	...

*Mill started September.

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Public Utility Reports

Can. Pub. Service

Canadian Public Service Corp. is a British Columbia holding company controlling directly and indirectly four operating subsidiaries: West Canadian Hydro-Electric Corp., Canadian Western Telephone Co., Nanaimo-Duncan Utilities and Inland Ice & Cold Storage Co.

Gross and net earnings of the company showed a light reduction in the year ended June 30, 1936. Bond interest was earned 1.23 times after depreciation.

The cash position of the company is weak, working capital at June 30 last amounting to only $14,537. This has made it difficult for the company to find money for maintenance, minor extensions and sinking fund purposes. Preferred dividend payments were suspended in 1935 and arrears will amount to $12.50 a share on April 1.

Capitalization—	Authorized	Outstanding
Pf. 6½% cum.. Orig. series ..	$5,000,000	$914,800
Ser. A (U.S.)		169,200
Par value $100.		
Com., n.p.v.	100,000 shs.	100,000 shs.

FFunded Debt—
The company itself has no funded debt. The company's subsidiaries (excluding Nanaimo-Duncan Utilities) as at June 30, 1936, had a total of $2,327,500 funded debt outstanding.

Dividend Record—
Preference—None at present, formerly 5% per annum. Entitled to 6½% per annum, cumulative. Original series payable in Canadian funds; series A payable in U. S. funds. Initial dividend of $1.62½ paid on Jan. 1, 1931, and regularly until Jan. 1, 1935, when quarterly payment of $1.25 made and continued to and including July 1, 1935; none paid since.
Common—None paid.

Officers and Directors—
Officers—Brig.-Gen. J. A. Clark, pres.; G. S. Robertson, sec.; W. P. McDonald, gen. mgr.
Directors—Brig.-Gen. J. A. Clark, R. C. Buchanan, S. Burke, J. E. Elliott, B. H. Gunning, Ross Peers, L. P. Smith, Vancouver.

Head Office—Vancouver.

Earns. per Share and Dividend Record:

Yr. end. June 30:	1936	1935	1934
Pref.: Earned	$0.57	$7.34	$5.10
Paid	nil	5.37½	6.50
Com.: Earned* ..	nil	0.09	*nil

*After deducting full year's preferred dividend requirements.

WEST CANADIAN HYDRO-ELECTRIC (Controlled by Canadian Public Service)

Capitalization—	Authorized	Outstanding
Cl. A. n.p.v.	250,000 sh.	†302 sh.
Cl. B, n.p.v.	100,000 sh.	‡30,000 sh.

†In hands of public; balance of issued stock owned by parent company.
‡All owned by parent company.

Funded Debt—
1st mtge. gold bonds, 6%, due 1950, outstanding $1,000,000.
Debentures convertible, 6½%, due 1945, outstanding $450,000.

Dividend Record—
Class A—Entitled to $1.25 per share per annum cumulative to the extent earned in any year. Initial dividend of 62½c. per share paid Jan., 1931, for 6 months ended Dec., 1930. Payments following that were: 31¼c. each April and July, 1931; 15c. each Oct., 1931, Jan., April, Oct. 1932, April, 1933; $1 Jan., 1935; none paid since.
Class B—None paid to date.

Head Office—Vancouver.

Officers and Directors—
Officers—Brig.-Gen J. A. Clark, pres.; G. S. Robertson, sec.
Directors — Brig.-Gen. J. A. Clarke, J. E. Elliott, R. C. Buchanan, L. P. Smith, Stanley Burke, Ross Peers, all of Vancouver.

Revenue and Expenses

Yr. end June 30:	Gross Revenue $	Oper. Expenses $	Net oper. Revenue $
1932	142,370	40,854	101,517
1933	147,864	38,237	109,628
1934	151,476	38,585	112,891
1935	163,234	50,206	113,028
1936	176,434	.....	......

B. C. Telephone

British Columbia Telephone Co. reports a net gain of 5,139 telephones in service, bringing the number installed at the end of 1936 to 114,370. Long distance revenue during the year showed an increase of 8.59% over 1935. Reflecting the gain in operations gross revenues amounted to about $5.1 millions as against $4.8 millions in 1935. The increase in gross was not altogether carried forward into net profits, but surplus after dividends of $23,872, compared with $7,872 the year before.

The company ended last year with the best working capital position reported for some time. Current assets exceeded current liabilities by over $2.3 millions, a gain of more than $1.1 million during the 12 months. Cash on hand at the end of the year showed an increase of about $500,000 to $1.4 million.

Capitalization—	Authorized	Outstanding
Ordinary	$4,500,000	$4,500,000
Pref. 6% cum....	1,000,000	1,000,000
Pref. 6% cum....	4,500,000	4,500,000

Par $100.
Anglo-Canadian Telephone Co. owns 44,943 of the ordinary shares.

Funded Debt—
1st mtge. 5% bonds, series A due 1960, $3,398,000; 1st mtge. 4½% series B, due 1961, $6,602,000.

Dividend Record—
Preference—6% per annum, cumulative and payable Jan., April, July and Oct. 1. Paid regularly.
Preferred—6% per annum, cumulative and payable Feb., May, Aug. and Nov. 1. Paid regularly.
Ordinary—Present rate 7¾% per annum. Dividends paid since 1916.

Head Office—Vancouver.

Officers and Directors—
Officers—H. L. Gary, chm.; G. Farrell, pres.; J. Hamilton, vice-pres. and gen. mgr.; J. G. Crane, vice-pres.; W. C. Pitfield, vice-pres.; C. C. Simpson, treas.; R. J. Munro, sec.; J. E. Carlile, compt.
Directors—H. L. Gary, G. H. Reimers, J. G. Crane, Kansas City, Mo.; G. Farrell, P. W. Evans, L. G. McPhillips, R. J. Munro, Vancouver; W. C. Pitfield, Montreal; Hon. G. H. Barnard, Victoria.

Times Bond or Deb. Int. Earned—

	1936	1935	1934
Before deprec. ..	4.16	3.98	4.10
After deprec.	2.49	2.41	2.37

Earn. per Share and Div. Record—

	1936	1935	1934
Pref.: Earned	$70.26	$67.54	$64.65
Paid	6.00	6.00	6.00
Pref.: Earned ...	14.28	13.67	13.03
Paid	6.00	6.00	6.00
Ordinary: Earned	8.28	7.67	7.03
Paid	7.75	7.50	7.25

NOTICE

In answering the enquiry of a shareholder in connection with what work was done during 1936 on a property held by his company, the secretary of two Canadian mining companies, one of them being one of the largest gold mines, stated in part:

"I really do not see the importance of this information to you or to any other shareholder"!!

While most managements are more tactful, we submit the following as evidence that the managements quite generally have the idea that they and not the shareholders own the property of the company.

1. With very few exceptions, no gold mine management in Canada will admit more than 1 to 4 years' supply of ore, whereas in many cases they have quite satisfactory enough evidence of ten to twenty years of ore. If there was ever a valid excuse for this reticence regarding ore in the past, there is none today, due to the enormous gain in ore because of the depreciation in the gold values of currencies and the fact that the mine is already opened up in the lower as well as the upper levels.

   This holding back of information puts a weapon in the hands of unscrupulous insiders, which is often fatal to all but the most stubborn shareholders, as one can never be sure the mine is not bottomed.

2. Holding companies trade in stocks of subsidiary companies which they also manage, to the disadvantage of shareholders of those subsidiaries, on inside knowledge not divulged to shareholders until months after the information is useless to them.

3. Some holding companies apparently bluff for twenty to thirty years they are searching for a mine and pick up and drop hundreds of prospects without ever producing a mine. These should be forced by their shareholders to distribute their assets and fold up if they cannot find a mine these days when every company that really wants a new mine has found one or more.

Under the Companies Act every registered shareholder is entitled to all information about ore reserves, the number and value of shares of stocks, etc., shown in the assets and the sale and purchase of such at all times and not only at the annual meeting as is generally supposed.

Write the president of your company for any information you want and keep on writing until you get what you want. If no satisfaction can be had, send us the copies of correspondence and we will be glad to make representations in the proper quarters which will get you your information.

Our object is to make good gold stocks a respectable form of investment.

Gold Producers & Shareholders Protective Association
P. O. Box 72, Vancouver, B.C.

TRAVEL BY

No other form of transportation can compare with air-travel for speed, convenience, and clean-comfort. You ride smoothly over an ever-changing panorama, and view the scenic beauty of your route from an unrivalled vantage-point. No dirt and dust to annoy you, no clangor and noise to disturb you—just a luxurious relaxation and a restful thrill at the wonder and the speed and the quiet of this modern mode of travel.

To journey by air is no longer the prerogative of the few. In fact, latest air-fares are really economical, all things considered. Their very reasonableness will pleasantly surprise you.

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N6

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CANADA ENDORSES DODGE!

Sensational Sales Increase, evidence of approval

THOUSANDS of business men, salesmen, farmers, school teachers, business women have bought new 1937 Dodges . . . Shipments of 1937 Dodge cars are more than double the same period a year ago—and the flood of orders continues!

Delighted Dodge owners are telling others about the amazing Dodge economy—21 to 27 miles on a gallon of gas, they say, and savings up to 20% on oil! And there are additional savings on tires, lubrication and upkeep.

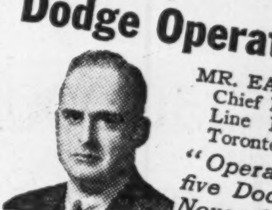
Think of the rare combination of extra-value, expensive-car features that a new 1937 Dodge will give you . . . New "Silenced Ride"! . . . New "high-safety" interiors! . . . Luxurious chair-height seats! . . . Low, level floor! . . . Even stronger safety all-steel body! . . . Genuine equal-pressure hydraulic brakes—the world's finest! And yet you can buy a Dodge priced right down among the lowest priced cars.

There's only one way to really be convinced that these are the true facts . . . Go to a Dodge-De Soto dealer to-day and *ride* in a new 1937 Dodge—give it a good test. You'll learn why so many thousands have switched to Dodge and are saving money!

Ask about the Official Commercial Credit Corporation time payment plan of easy payments!

• Tune in on Major Bowes' Amateur Hour, Columbia Network, 9 to 10 p.m. E.S.T. . . . EVERY THURSDAY.
Free autographed photograph of Major Edward Bowes on request. Write to Chrysler Corporation of Canada Limited (Dodge Division), Windsor, Ont.

Fleet Operator is *"Mighty Pleased"* with Dodge Operating Costs



MR. EARL M. BRYDON, Chief Engineer, Canadian Line Materials Limited, Toronto, says:

"Operating costs of five Dodge cars from November 1, 1935, to November 1, 1936, including ALL expenses and depreciation averaged 2.7 cents per mile. We believe these costs are lower than we could get with any other make of car and we are mighty pleased with these figures. We have five new 1937 Dodge cars on the road now and we congratulate you on the improvements over the cars we just praised so highly."

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Dodge Custom Six, Four-Door Touring Sedan (below)

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*Subject to change without notice.

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*Canadian Patent No. 352,959

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"EXPORT" CIGARETTES
Plain ends or the new FILTER TIP.

New Listings Are Plentiful In Mine Group

Five Stocks Make Bow to Trading Public in Week

Several new mining stocks have been approved for listing on the Toronto Stock Exchange, and have been posted for trading in the past few days.

Among them are Jacola Mines, Madsen Red Lake, Kerr Addison Gold Mines, Jack Waite Mining Co., and Gillies Lake Porcupine Gold Mines.

Jacola Mines

Stock of Jacola Mines was posted on Thursday, March 18. At the same time, Greene Stabell shares, which are exchangeable into Jacola on a three-for-one basis, were removed.

Jacola was incorporated in February. 1937, with an authorized capitalization of 3.5 million $1 par value shares. Of this amount, 3,100,006 were issued as at March 15.

Madsen Red Lake

Madsen Red Lake Gold Mines will be posted March 30. This, incidentally, is the first new stock listed on the exchange after the opening of the new building.

Madsen was incorporated with an Ontario charter on March 8, 1935, with an authorized capitalization of five million $1 par value shares. Of this amount 3,362,005 are issued.

Properties of the newly listed company are in the Red Lake and comprise 1,533 acres. A shaft has been sunk to 573 ft. on No. 1 vein with five levels open and a considerable amount of surface work, cross-cutting and drifting completed.

Kerr Addison

Stock of Kerr Addison Gold Mines was posted for trading on March 18. The stock sold ex-rights at the time of posting since shareholders of record March 20 have been given the right to subscribe for one new share at 80 cents for each three held.

Kerr Addison, which has been one of the features of the Larder Lake comeback, was incorporated with an Ontario charter in April, 1936, with an authorized capital of five million $1 par value shares of which 3,539,006 were issued as of March 12. A total of 1,290,000 shares together with $1,063 was issued for the properties. In addition 2,249,006 shares have been sold netting the treasury $687,006. A total of 650,000 shares are held in escrow of which 5,000 shares are being released per month.

Jack Waite Mining Co.

Jack Waite Mining Co. has been approved for listing on the Toronto Stock Exchange and trading started Friday, March 19.

This company was incorporated in Arizona on Aug. 25, 1930, with an authorized capitalization of 3.5 millions $1 par value shares, of which 2,754,431 are issued. Originally the company had an authorized five million shares, practically all of which were outstanding at the time of reorganization.

The property consists of 121 lode claims and 36 placer mining claims with a total area of 2,890 in the Coeur d'alene mining district, Idaho, and the Beaver mining district of Montana.

Gillies Lake Porcupine

Gillies Lake Porcupine Gold Mines Ltd. was posted for trading Monday, March 22.

Gillies Lake was incorporated under Ontario Companies Act, January 28, 1933, and has authorized capital of 2,000,000 $1 par value shares, all of which are issued.

Head office of company is at 9 Toronto St., Toronto.

Mining Dividends

	Rate	Close Mar. 22	Yield %
Anglo-Huronian	20c	7.75	..
Beattie Gold	†5c	1.40	..
Bralorne	40c+15c	8.55	..
Buff. Ankerite	50c	11.75	4.2
Buiolo Gold	‡1.40	28.00	..
Cariboo	10c	1.70	5.8
Central Patricia	4c	4.35	..
Coniagas	12½c	3.25	..
Cons. Smelters	$1+$1	92.00	..
Dome Mines	$2+$2	46.75	*8.5
Falconbridge	30c	9.60	3.1
Hollinger	65c+45c	14.25	*7.7
Howey Gold	2c	.52	..
Hudson Bay	$1	35.00	..
Island Mountain	‡10c	1.05	..
Int. Coal & Coke	‡1c	.21	..
Inter. Mining	15c	15.25	..
Inter. Nickel, c.	$2	66.50	3.7
Kerr Lake	5c	.62	..
Kirk. Lake	‡3c	1.12	..
Lake Shore	$4+1	56.25	*8.8
Lava Cap M.	2c+1c	.95	..
Little L. Lac	30c	6.85	..
Macassa	15c	7.10	2.1
McIntyre	$2	39.87	5
McKenzie R. Lake	6+1c	1.67	..
McKinley Sec.	2½c	.64	..
McWatters Gold	5c	.97	..
Nipissing	50c	2.75	..
Noranda	$3	73.50	4
Nor. Can. Mining	2c	.75	..
Premier	12c+1c	3.20	*3.8
Pickle Crow	35c	7.55	..
Pioneer, B.C.	30c	5.25	..
Reno	12c	1.08	11
San Antonio	14c	2.00	..
Sheep Creek	8c	.61	13.1
Siscoe	20c+1c	5.35	*3.8
Sudbury Basin	10c	5.85	..
Sylvanite	20+5c	3.90	*6.4
Teck-Hughes	40c+5c	5.75	*7.8
Toburn	8c	3.00	2.6
Ventures	2½c+2½c	2.70	..
Wright-Har.	•40c+20c	7.60	*7.8
Ymir Yankee Girl	5c	.35½	..

‡Interim. †Initial.
*Yield includes bonus.
•Includes 10c. interim paid Feb. 1.
§In addition, the company has declared an increased dividend of 10 cents per share payable June 30, 1937.

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Manitoba & Eastern Suspend Underground

Acting on a report from D. M. Arnott, resident manager, Manitoba and Eastern Mine has decided to suspend underground work on its property in Strathy Twp., Ont.

In his report, after reviewing results, from drilling and underground work to the 500-ft. level, Mr. Arnott states that he has no hesitation "in recommending that underground work be immediately suspended."

He asks, however, that it would be advisable to carry out further surface exploration on the remainder of the property. He believes that of particular interest is the region lying immediately south of the underground workings.

In the meantime directors state that it is their intention to give consideration to the acquisition of another property.

Company Formed To Seek Metals

Saskatchewan Concern to Explore Border Territory

From Our Own Correspondent

WINNIPEG.—Saskatchewan interests are planning to get into the business of prospecting for metals in real earnest. A company has just been formed named Churchill Valley Minerals Exploration, Ltd., headed by John W. Sanderson, alderman of Prince Albert. Other officials and directors are: Vice-president, A. E. Whitmore, Regina; secretary-treasurer, Harry Holroyde, of Prince Albert; Sibbald Hett, Prince Albert; R. R. Manville, Prince Albert; Ira H. Bowman, Regina; W. E. Kirsch, Moose Jaw; Hal Berry, Moose Jaw; James Butler, Saskatoon, and Dr. J. F. Wright, geologist, Winnipeg.

The company contemplates a five-year programme of prospecting which will send from five to eight well-equipped parties into the field each year. Supplies and equipment for this year's parties have already been sent to the jumping-off place, which for the time being will be Flin Flon.

Granby Plans For Its Output At Copper Mt.

Property to be Ready for Production by June

25 MILLION POUNDS

From Our Own Correspondent

VANCOUVER.—Granby Consolidated Mining, Smelting & Power Co. will have its 3,000-ton concentrator and Copper Mountain property ready to operate in late May or early June, according to A. S. Baillie, vice-president and general manager.

New construction and reconditioning of plant are now proceeding, and $700,000 obtained from the recent sale of convertible debentures is being used for this purpose.

Two hundred men are employed by Granby at present and this number will be tripled when the plant starts operations. Canadian Pacific Railway has a crew restoring the eight-mile railroad from Allenby to Copper Mountain which will handle the ore.

Biggest single project now under way is installation of a 10,000 kilowatt steam-electric plant to provide a new source of power. This work will be complete in about a week.

Annual production of copper is expected to be approximately 25 million pounds. Present ore reserves are estimated at more than 8,500,000 tons after allowing for "pillar losses," containing values of 1.6% copper, .009 ounces gold and .26 ounces of silver to the ton.

Copper Mountain was first developed on a substantial scale in 1916, when a pilot mill was installed by the old B.C. Copper Co. to determine a satisfactory milling process. A 2,000-ton mill was built the following year and was operated intermittently until 1924. Allenby Copper Co. a Granby subsidiary, took over the property in 1925 and operated it until 1931 when it was shut down due to diminishing metal prices and lack of demand for copper.

Mining Enquiries

Newbec Mines

I have quite a number of shares of Newbec Mines. Could you give me a report as to what work has been done on this mine, who is back of it and what are the possibilities of development?

Newbec Mines acquired the property of Norbec Mining Co. and Rouyn Gold Pan Syndicate Ltd. The property is a copper prospect in Dufresnoy Twp., Que. Some underground development work has been done and some shipments of ore made to the Noranda Smelter. The property, however, is inactive at present. T. H. Rea, of Toronto, is president of this company. The latest balance sheet issued at Dec., 31, 1935, showed cash at $8,281. The company also had 270,000 shares of Lartic Mines Ltd. and certain bonds, shares and ventures with a market valuation at that time of $4,890.

Martin Bird

A subscriber of many years standing, I have been impressed by your news reports on Martin Bird. What is your opinion of this stock as a straight speculation?

Martin Bird Gold Mine holds nine claims in Hearst Twp., Larder Lake area of Ontario. It was formerly Martin Bird Syndicate, whose properties it acquired for two million shares. Considerable work has been done on the property and there is a shaft down over 400 ft. The crosscut from the shaft on the 250-ft. level has been extended to show a 30-ft width of ore which will average over $7 per ton, according to President S. J. Bird. Work is centred on the first two levels at present, and lateral work has not started as yet on the third level. A new lense has been cut in the crosscut southeast on the first level and $11.63 was returned across 5.2 ft. Martin Bird is capitalized at four million shares of $1. Outlook at the property, therefore, appears to be encouraging.

Arno Mines

Will you please forward me all information concerning the progress of Arno Mines Ltd.?

Arno Mines Ltd. has several groups of property, one in Coxheath area of Nova Scotia, in which Arno has a 90% interest; a 50% interest in 20 claims in Beauchastel Twp., Quebec; an unstated number of units in Hochelaga Syndicate, which holds claims in Beauchastel Twp.; 500,000 shares of Clerno Mines Ltd. received in exchange for a group of properties adjoining McWatters Gold Mines and all the issued stock of National Base Metals Corp. Ltd. At present the most promising of these assets appears to be Clerno Mines, which is actively continuing development in the hope of establishing the continuation of the McWatters ore body. Last September the company reported cash of $8,000.

Lake Shore Mines

What are the prospects for Lake Shore Mines during 1937? I read in your Mining Supplement that Lake Shore dividends for 1936 were equal to 500% of par value. At that rate, what would have been my yield had I invested in it Jan. 2, 1936?

Stock of Lake Shore Mines at Jan. 2, 1936, was quoted at approximately $52 per share. During the year, dividends and extras totalled $5 per share, equivalent to a yield of approximately 9.6%. The reference which you mention stated that in 1936 this company had paid dividends equivalent to 500% of the par value of the stock, which is $1 per share.

Lake Shore is a firmly established producer, with substantial ore reserves and many years of profitable operation apparently ahead of it. The company has earned its dividend by a wide margin for many years. While it is considered probable that higher operating costs will prevent further increase in profits per share, a policy of treating higher-grade ore might offset this trend. In any event, Lake Shore is a well-regarded stock and is one of the biggest gold-producing properties on this continent.

Greene Stabell

I would like to see some comment from you on the recent reorganization proposals for Greene Stabell. I hold some of this stock.

The recent reorganization of Greene Stabell Mines leaves the company in a much better position financially to continue with its extended development programme. Initial results of this programme have been undoubtedly encouraging and we can see no reason for advising against executing your rights to purchase Jacola Mines stock at 50 cents, provided you realize that this proposition is still speculative. It is, however, in excellent hands and all reports from the property are encouraging at the present time.

Norgold

Some information regarding Norgold Mines would be greatly appreciated by one who values your paper highly.

Norgold Mines Ltd. (Ontario) is developing a gold prospect in Bousquet Twp., Quebec. Sufficient work has been done on one of these groups to prove the existence of a vein system which at points has shown high-grade ore. Surface work was resumed last August and shaft sinking is planned to 100 ft. At latest reports the shaft was down to 85 ft. No ore body has, of course, been blocked out as yet. The company is capitalized at $3 millions, $1 par, of which at last reports $1,641,449 was outstanding. The stock was listed in Toronto last August. Development of this operation is in good hands.

Naybob

Please give me a report on Naybob Gold Mines, whose stock I have been advised to buy?

Naybob Gold Mines Ltd. owns approximately 600 acres in Ogden and Deloro Twps. about 3½ miles south of Timmins, Ont. A shaft has been sunk to 719 ft. and six working levels have been established. Two vein systems have been opened on the 700-ft. level. Over 5,000 ft. of lateral work has been completed on the south vein system where the ore bodies have been proved to extend upward from the 700- to the 300-ft. level and has been indicated by diamond drilling to a depth of 1,250 ft. An enriched section has been encountered in the west drift at the 300-ft. level showing a width of 39 ft. in the hanging wall of the vein with average value of $8.75 per ton. At Dec. 23, 1936, ore reserves were estimated at 450,000 tons grading $5 per ton. The company is capitalized with 3,500,000 shares of $1 par value of which 2,066,551 is outstanding. As at Nov. 28, 1936, cash on hand was $43,934 and current liabilities were $15,529. Sale of shares has realized $88,903 since the above date.

Label Please In Enquiries

Subscribers usually want prompt replies to their questions when they write to The Financial Post asking for information about securities.

The Financial Post is equally anxious to send letters of reply promptly to paid subscribers who use this free enquiry service.

As a help in giving prompt service, subscribers will be asked hereafter to attach to their enquiry letters their address label from The Financial Post.

This label will allow quicker identification of letters as coming from paid subscribers. It will not be necessary to check each letter, as it comes in, against our subscription lists. The time saved in handling will result in earlier replies.

For prompt replies, remember the address label.

Placer Development Stock Is Offered on Market

From Our Own Correspondent

MONTREAL.—Greenshields and Co. are making a public offering of a block of stock in Placer Development Ltd., at $21.50 a share. The offering includes 30,000 shares purchased by the underwriters direct from the company and an additional amount purchased from other sources.

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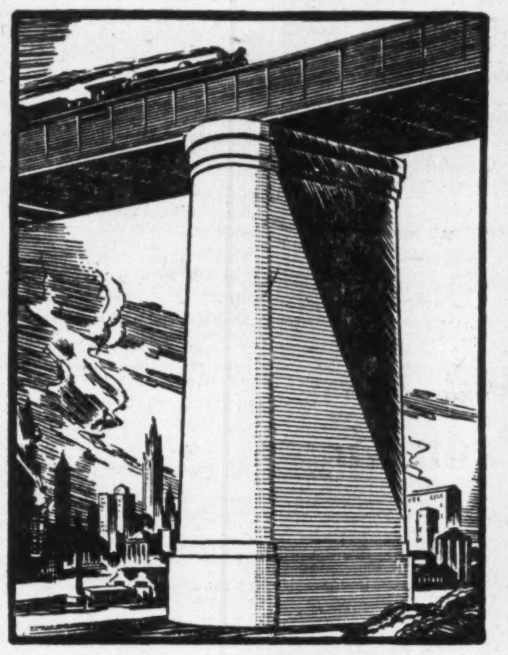
Good Foundations Go Far Below the Surface

	ASSETS	SURPLUS
Hardware Mutual Fire Insurance Company of Minnesota	$8,173,394.77	$3,161,197.84
Hardware Dealers Mutual Fire Insurance Company	6,657,467.13	2,894,210.71
Minnesota Implement Mutual Fire Insurance Company	6,074,055.47	1,693,649.56

(As of December 31st, 1936)

Dividends Paid to Policyholders Since Organization

Hardware Mutual Fire Insurance Company of Minnesota	$22,483,141.60
Hardware Dealers Mutual Fire Insurance Company	19,316,049.20
Minnesota Implement Mutual Fire Insurance Company	19,647,580.70

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Saint John	2.30
Winnipeg	3.25
Brandon	3.50
Regina	4.25
Moose Jaw	4.25
Calgary	5.50
Edmonton	5.25
Vancouver	6.50
Victoria	6.50

THE TRANS-CANADA TELEPHONE SYSTEM

TRANS-CANADA TELEPHONE SYSTEM
THE BELL TELEPHONE COMPANY OF CANADA

Company Reports

Industrial Acceptance

Industrial Acceptance Corp. reports volume of receivables purchased during 1936 totalled $21.9 millions compared with $15.5 millions in 1935 and $12.3 millions in 1934. Net operating profits for the year amounted to $314,983 against $193,079 in the previous year. After providing for senior charges, net income available on the class A stock amounted to $3.55 a share as against $2.12 a share in 1935.

The balance sheet reflects expansion in business during the year. Bank loans at the end of 1936 totalled $6.6 millions as against $4.8 millions a year ago. In addition the company issued $1.5 million of preferred stock during the year.

Acceptances and notes receivable pledged with the banks at the end of the year totalled $7.2 millions as against $5.3 millions the year before. The amount of acceptances on hand increased from $1.8 to $2.6 millions. Cash on deposit now stands at $787,558 as against $514,942 a year ago.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Gross income	1,141,813	1,027,131
Less: Expenses	403,845	381,926
Taxes	11,041	......
Exec. salaries	29,125	30,931
Legal fees	4,286	3,765
Directors' fees	5,460	4,980
Insurance	64,649	153,271
Depreciation	15,940	13,910
Bank interest	292,543	245,270
Debent. interest	45,974	53,472
Income taxes	32,800	12,270
Net income	236,209	127,336
Less: Pfd. divd.	23,018	......
Surplus	213,191	127,336
Previous surplus	105,470	26,990
Add: Profit on bonds	......	1,144
Less: Reserves	25,000	50,000
Surplus forward	293,661	105,470

Can. General Electric

With increased orders and sales over the entire range of the company's products, Canadian General Electric Co. reports net profits for 1936 equivalent to $9.10 a share on the common stock compared with $5.63 a share in 1935.

D. C. Durland, president, remarks that the improvement in volume has continued into 1937.

While total earnings and net profit increased, the sharp proportionate rise in earnings on the 188,845 outstanding common shares is due partly to the change of capital between 1934 and 1936. The 171,155 preferred shares outstanding in 1934 were redeemed in 1935. Subsequently, 29,000 shares of special employees' preferred have been issued. The net effect is to reduce total preferred dividends, making per share earnings greater for the common stock.

Working capital shows an increase of nearly $1.7 million. An appropriation of $500,000 has been made from general reserve for a new pension reserve. The 1936 reserve for depreciation was double the expenditures on capital expenditures in the year.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Operating income	2,341,931	1,228,661
Invest. income	711,888	1,005,291
Profit on secs. sold	23,027	395,622
	3,076,846	2,629,574
Less: Depreciation	658,495	732,569
Income taxes	459,053	142,136
Salaries, legal fees	147,887	137,009
Directors' fees	20,623	21,835
Net profit	1,790,788	1,596,025
Less: Pref. divds.	71,564	532,291
Common divds.	944,225	566,535
Surplus for year	774,999	497,199
Add: Prev. surplus	5,382,957	6,010,393
Less: Redemp. prem.	......	1,124,635
	6,157,956	5,382,957

Working Capital

	1936	1935
Current assets	13,568,796	11,121,830
Current liabilities	1,944,066	1,166,102
Working capital	11,624,730	9,955,728

Penmans

Penmans Ltd. financial statement for 1936 shows a moderate improvement in gross and net income. Sales during the year amounted to $5.6 millions, an increase of 7.05% over the year before. Gross income at $676,935 was up from $649,828 in the previous year. Net income available for dividends totalled $306,239, a gain of about $9,000 compared with 1935.

The balance sheet at the end of 1936 shows a few changes. Net funded debt stands at $1.7 million, a reduction during the year of $29,000. Inventories are up from $1.4 million to over $1.5 million. Accounts receivable show a moderate increase, while cash on hand at $594,739 compares with $618,570 at the end of the previous year.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Gross income	676,935	649,828
Less: Exec. salaries	34,500	34,500
Legal fees	2,086	2,113
Directors' fees	13,050	13,050
Bond interest	110,000	110,000
Depreciation	140,000	140,000
Income taxes	60,000	50,000
Bad debts w/o	6,056	4,799
Red Cross cont.	5,003	......
Net profit	306,239	295,366
Less: Pfd. dividends	64,500	64,500
Common divds.	193,554	193,554
Surplus	48,185	37,312
Previous surplus	1,466,556	1,429,244
Surplus forward	1,514,741	1,466,556

Working Capital

	1936 $	1935 $
Current assets	2,791,254	2,641,387
Current liabilities	222,070	166,285
Working capital	2,569,184	2,475,102

Reliance Grain Co.

A substantial increase in both net and gross profit is shown by Reliance Grain Co. for the fiscal year ended Dec. 31 1936. Net profit was equivalent to $12.74 on each preference share in 1936 against $4.69 a share in 1935. Regular dividends were paid on this stock at the rate of $6.50 a share in each year. The balance available for common shareholders amounted to $1.25 a share in 1936 compared with a deficit of 36 cents a share in 1935.

The dividend of $19,000 received from its subsidiary, Smith-Murphy Co., New York, exceeded Reliance Grain's share of the profit of its two subsidiaries, Smith, Murphy & Milroy, Vancouver, and Smith-Murphy Co., New York, by $556.

Inventories of grain, shown at $3,723,150 in 1936, are at the lowest since 1932. This reflects the rapid movement of stocks of Canadian wheat into world markets.

Since the end of the fiscal year, the company has redeemed its 6% first mortgage bonds and replaced it with a smaller issue of 3% and 4% bonds which will result in a saving in interest charges.

Consolidated Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Operating profit	704,240	505,437
Add: Div. from invest.	11,597	......
Smith-Murphy Co. div.	19,000	......
Total income	734,837	505,437
Less: Directors' fees	880	320
Exec. salaries	96,083	71,230
Depreciation	219,705	215,279
Bond interest	99,834	103,254
Prov. for inc. taxes	60,400	21,600
Loss on invest.	2,560	......
Prem. on s. f. bonds	658	......
Net profit	254,717	93,754
Less: Pref. dividends	130,000	130,000
Surplus for year	124,717	*36,246
Add: Prev. surplus	675,238	711,484
Surplus forward	799,955	675,238

*Deficit.

Working Capital

	1936	1935
Current assets	4,032,338	6,960,791
Current liabilities	2,366,621	5,455,800
Working capital	1,665,717	1,504,991

Zimmerknit Co.

Zimmerknit Co. in 1936 earned net profits more than double those of 1935. On the 7% preference stock net profits were equal to $16.88 a share as compared with $7.71 in 1935. Full dividends were paid on this stock in 1936 against the $3.50 a share paid in 1935 and payment of arrears was completed Feb. 15, 1937. On the common stock the balance available was equal to 31 cents a share in 1936 and two cents a share in 1935.

Consolidated Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Net earnings	131,015	100,909
Less: Bond interest	45,753	46,139
Depreciation	33,539	31,367
Prov. for taxes	9,544	4,143
Net profit	42,179	19,260
Less: Pref. divds.	17,500	8,750
Surplus for year	24,679	10,510
Add: Prev. surplus	39,044	28,533
Surplus forward	63,723	39,043

Working Capital

	1936	1935
Current assets	1,147,733	1,009,740
Current liabilities	432,294	307,712
Working capital	715,439	702,028

Brandram-Henderson

Brandram-Henderson's financial statement for 1936 reveals a continued betterment in earnings and balance sheet position. There was a moderate gain in gross revenue, while net income available for interest and depreciation at $90,293 was about $52,000 more than the year before. In view of this improvement it is the intention to make a small payment on account of bond interest for the year ending June 1, 1937. This will be the first payment to bondholders since Sept., 1932.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Gross revenue	1,486,489	1,450,621
Less: Selling expenses	230,776	230,180
Admin. expenses	127,339	122,229
Legal fees	1,740	1,197
Exec. salaries	34,340	32,460
Directors' fees	2,000	1,200
Interest & discount	31,498	57,699
Depreciation	45,000	4,388
Reorgan. expense	2,000	......
Net profit for year	11,795	*23,261

*Deficit.

Working Capital

	1936	1935
Current assets	556,273	507,914
Current liabilities	393,010	348,492
Working capital	143,263	159,422

Canada Iron Foundries

Canada Iron Foundries reports a net income equivalent to $6.76 a share on the preferred stock, as against $5.87 in 1935. Total income was $386,152 compared with $279,566 in 1935. Net available for dividends totalled $262,380, as against $227,725 the year before.

The balance sheet shows a decline of about $155,000 in working capital, which is more than offset by an increase of $216,000 in investment in subsidiaries.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Total revenue	386,152	279,566
Less: Depreciation	18,378	13,654
Taxes	93,000	18,691
Invest. prov.	25,000	......
Misc. deductions	41,394	19,396
Net profit	262,380	227,725
Less: Preferred divd.	155,112	116,334
Surplus	107,268	111,391
Previous surplus	*781,393	671,805
Less: Add. taxes	1,830	1,899
Add: Profit on sec.	9,912	......
Surplus forward	896,393	671,805

*Adjusted.

Working Capital

	1936	1935
Current assets	1,245,031	1,343,932
Current liabilities	269,741	213,541
Working capital	975,290	1,130,391

Debenture & Securities

Income from investment held by Debenture and Securities Corp. of Canada in 1936 was equal to $3.50 a share on the 2,907 5% preference shares outstanding, as compared with $2.48 a share on 3,329 shares in 1935. Payment of dividends on this stock was resumed in 1936. Two payments totalling 5% were made, leaving accumulated arrears at 20%.

Debentures to the amount of $415,200 matured on Oct. 1, 1936. Of these $20,500 were extended at 4% to Oct. 1, 1946. The balance was paid off in cash through liquidation of securities and bank loans.

Debentures now outstanding amount to $98,000 of which $20,500 are 4% debentures and $77,500 are 5% debentures, both maturing on Oct. 1, 1946. The company also has secured call loans of $150,000 and bank advances of $200,000.

Investments are carried at $1,248,825 and have a market value of $1,373,312. Of the company's investments 9% is in bonds, debentures and cash, 24.7% in preferred stocks and 66.3% in common stocks.

Profit and Loss Account
Years Ended Dec. 31

	1936 $	1935 $
Income	45,057	41,982
Less: Expenses	13,259	8,955
Net income	31,798	33,027
Less: Loan & bank int.	4,797	3,129
Debent int.	16,815	21,646
Net profit	*10,186	8,252
Less: Pref. divds.	14,698	......
Surplus for year	*4,512	8,252

*Deficit.

Mercury Mills

Somewhat lower income is reported by Mercury Mills Ltd. for 1936 than shown in 1935. Net loss for the year, however, at $21,358, was also lower.

The company's balance sheet shows very little change from 1935. Outstanding bonds have been reduced to $1,310,000, but sinking fund is in arrears for four years. Arrears of dividends on the preference stock amount to $36 a share.

Consolidated Income and Deficit Account
Years Ended Dec. 31

	1936 $	1935 $
Net earnings	128,878	135,031
Less: Depreciation	46,803	91,500
Bond interest	73,425	73,425
Executive salaries	18,500	18,889
Directors' fees	4,000	4,000
Prov. for taxes	2,979	3,500
Exps. of non-oper. subsids.	4,529	7,167
Add: Adj. contract res.	......	17,413
Net loss	21,358	46,037
Add: P. K. Mills pref. div.	684	912
Deficit for year	22,042	46,949
Add: Prev. deficit	396,662	349,403
W/o Oxford Knit assets	69,592	......
Invest. w/o	......	310
Less: Credit not required	20,925	......
Deficit forward	467,371	396,662

Working Capital

	1936 $	1935 $
Current assets	763,717	707,905
Current liabilities	263,549	212,887
Working capital	500,168	495,018

Consolidated Paper

Consolidated Paper Corp. reports consolidated gross operating profit of nearly $3.2 millions for the nine months ended Dec. 31 1936, compared with $3.1 millions for the fiscal year ended March 31, 1936. Net income for the nine months shows a marked improvement, amounting to $2.7 millions as against less than $2.3 millions for the previous 12 months. As the company has no interest charge to meet on its first mortgage bonds, the net profit was transferred to depreciation reserve.

The balance sheet shows a further improvement, with substantial reductions in banking and other indebtedness and in funded debt of subsidiaries, while accounts receivable and inventories are higher, the net result being a reduction in the excess of current liabilities over current assets from the March 31, 1936, figure of about $3.5 millions to $725,377 at the close of the year.

Current bank loans now stand at $1.5 million as against $2.7 milllons at the end of last March. Special bank loan was reduced during the period from $8.3 millions to $7.6 millions, while the Montreal Trust loan declined from $336,722 to $283,994. There was a reduction in underlying bonds from $864,414 to $689,274.

Income and Surplus Account

	9 mos. ended Dec. 31 1937 $	12 mos. ended Mar. 31 1936 $
Gross income	3,332,070	3,305,683
Less: Directors' fees	1,680	2,100
Exec. salaries	111,150	155,400
Legal fees	12,546	12,845
Bond expenses	20,382	......
Bank & other int.	339,574	581,695
Subsidiary int.	27,223	44,714
Carrying charges	106,327	239,479
Net oper. income	2,713,187	2,269,450
Add: Profit sale sec.	7,842	......
Real. of assets	231,663	......
Less: Depreciation	2,721,030	2,269,450
Previous deficit	120,533	120,533
Surplus forward	111,129	*120,533

*Deficit.

Working Capital

	9 mos.	12 mos.
Current assets	11,077,332	9,983,347
Current liabilities	11,802,709	13,472,724
Working capital†	725,377	3,489,377

†Excess of liabilities.

E. T. Telephone

Eastern Townships Telephone Co., subsidiary of the Bell Telephone Co. of Canada, reports an exchange revenue in 1936 of $53,734, an increase of slightly over 6%. Operating tance revenue was $29,825, an increae of slightly over 6%. Operating expenses totalled $67,967 as compared with $68,336 in 1935. Dividends amounting to 72 cents a share were paid during the year, on the 10,554 shares outstanding.

During the year 461 telephones were connected and 412 disconnected, resulting in a net gain for the year of 48 telephones. There were 2,324 telephones in service at the end of last year.

Great Lakes Power

Net profit of Great Lakes Power Co. in 1936 was equivalent to $5.48 a share on the common stock, compared with $2.64 a share in 1935.

A number of factors contributed to the increase in profits. Operating expenses were about the same as in 1935, but $19,575 of this item was capitalized as being applicable to construction of the company's new power plant. Bond interest charges were lower as a result of refinancing of the company's bonds. Non-operating income was higher as a result of increased dividends from the company's subsidiary, the International Transit Co.

Increases Funded Debt

During the year the company issued $4,250,000 of new 4¼% first mortgage bonds. A portion of the proceeds from the sale of this issue was applied to redemption on Sept. 1, 1935, of $1,287,000 of the old 6% first mortgage bonds while $2,259,200 was applied on the company's indebtedness to an affiliate company. The remainder was used for general corporate purposes including the erection of a new 10,000 h.p. plant on the Montreal River.

In addition the company issued $2 millions of 5% general mortgage bonds, all of which were used in repayment of advances from an affiliated company. Thus total funded debt at the end of 1936 was $6,250,000. This compares with a funded and unfunded debt of $5,513,000 at the end of 1935.

Auditors' Statement

In regard to depreciation auditors state: "The companies under their retirement method are providing for property retirement losses currently realized and in addition are providing reserves for future retirements. This method does not contemplate a full provision for accrued interest as determined by the age and estimated service life of the properties."

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Gross oper. earns.	845,284	824,342
Less: Oper. exps.	83,618	103,820
Maintenance	23,238	23,633
Retirement res	108,102	119,932
Taxes	57,632	56,100
Net. oper. ears.	572,694	520,857
Add: Non-oper. inc.	36,100	12,677
Net earnings	608,794	533,534
Less: Bond interest	147,752	88,000
General interest	194,210	291,349
Bond discount	14,879	......
Income taxes	34,766	22,520
Net profit	217,187	131,665
Less appropriations:		
Pref. dividends	52,500	52,500
Pref. arrears	......	43,750
Common dividends	90,000	......
Surplus for year	74,687	35,415
Add: Previous surplus	987,452	879,535
Prov. for loss reversed	......	72,465
Profit on sale of secs.	......	35
Less: Trans. to cont. res.	9,200	......
Bond interest	*12,870	......
Balance forward	1,040,069	987,452

*Interest on 6% first mortgage bonds for months of September and October. Bonds called for redemption Sept. 1 as of Nov. 1. Refunding bonds dated Sept. 1.

Working Capital

	1936 $	1935 $
Current assets	439,328	215,342
Current liabilities	324,701	83,147
Working capital	104,627	132,147

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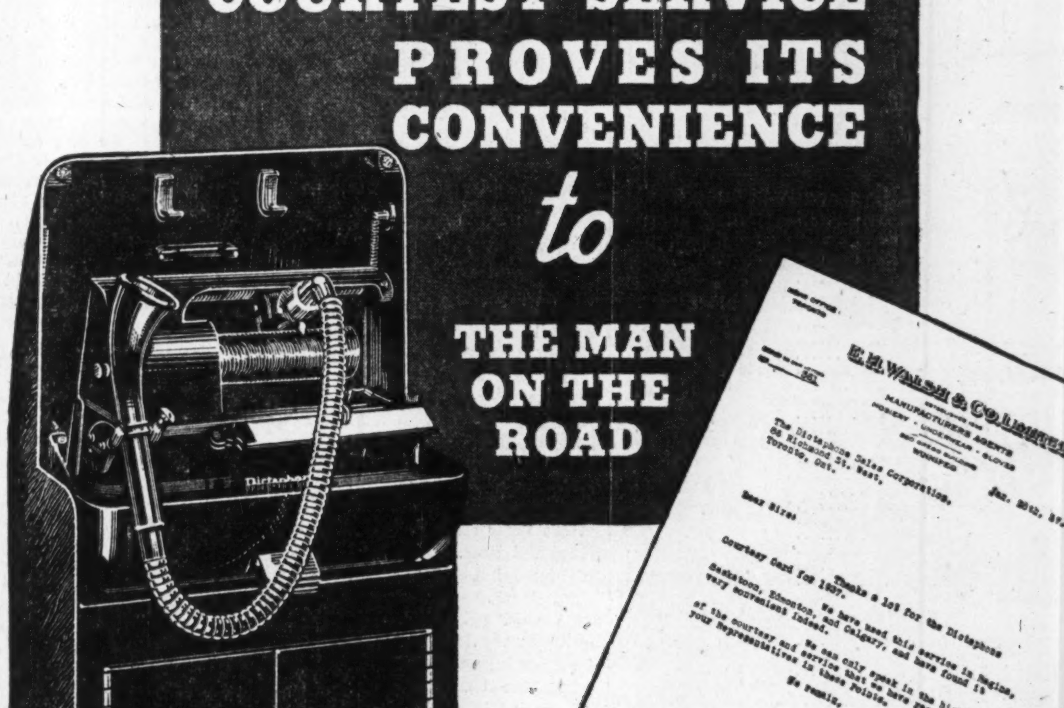

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